



AGENDA ITEM SUMMARY

Agenda Date	July 28, 2026
Requested Action	APPROVE RESOLUTION NO. 2026-R42; A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BOERNE, TEXAS, RESCINDING RESOLUTION NO. 2026-R15 THE PREVIOUSLY APPROVED REIMBURSEMENT TO BUC-EE'S LTD. FOR THE SUGGS CREEK SEWER MAIN EXTENSION, AND AUTHORIZING REIMBURSEMENT TO BUC-EE'S LTD. IN AN AMOUNT NOT TO EXCEED \$800,000.
Contact Person	Andrew Wilkinson – Utilities Engineer
Background Information	This item replaces the reimbursement authorization approved by City Council in February 2026 after the contractor selected through the original bidding process withdrew its bid before executing a construction contract. The Utilities Capital Improvement Plan includes the Suggs Creek Sewer Main Extension project, which will construct a 12 inch diameter public sewer main beginning at Main Street, crossing Interstate 10, and extending to the northwestern boundary of the Buc-ee's property. Once completed, the sewer main will become part of the City's public wastewater collection system and provide the infrastructure necessary to serve the Buc-ee's development while supporting future growth in the surrounding area. Under a development agreement approved in 2016, the City agreed to construct the sewer extension at its sole cost and expense. In 2026, the City and Buc-ee's approved an amendment allowing Buc-ee's to procure bids and manage construction of the project, with the City reimbursing eligible project costs following completion and final acceptance. The project was initially bid in December 2025. In February 2026, City Council approved reimbursement based on the low bid submitted by Pyramid Masons, Inc. Before a construction contract was executed, Pyramid Masons advised Buc-ee's that it would not honor its bid price and withdrew its proposal. Because the remaining bids had expired, the project had to be advertised and bid again. Buc-ee's updated the bid documents and conducted a second

	competitive procurement in accordance with the amended development agreement and applicable state purchasing requirements. Bids were opened on June 9, 2026. Six bids were received, ranging from \$719,581.99 to \$1,468,362. Arguijo Corporation submitted the lowest responsive bid in the amount of \$719,581.99. The engineer's opinion of probable construction cost was \$742,938.87. The project was originally budgeted at \$2.25 million in the Utilities Capital Improvement Plan. Buc-ee's engineer reviewed the bids and recommends awarding the construction contract to Arguijo Corporation. A copy of the recommendation letter is attached. Staff recommends authorizing reimbursement in an amount not to exceed \$800,000. The difference between the construction bid and the requested authorization provides approximately \$80,000 for eligible unforeseen conditions or approved changes that may arise during construction. Any reimbursable change must comply with the development agreement and applicable City requirements. The City will not reimburse Buc-ee's until construction is complete, the project has satisfied City inspection requirements, and the City has issued final acceptance. Any unused authorization will remain unspent. Approval of this resolution will also repeal Resolution No. 2026-R15, which authorized reimbursement based on the prior bid that was subsequently withdrawn.
Strategic Alignment	F2 – Investing in and maintaining high-quality and resilient infrastructure, mobility, and public assets. B2 – Advancing master plan recommendations.
Financial Considerations	Funding is available from the Wastewater Impact Fee Fund. The requested amount of \$800,000 is approximately \$1.45 million below the original capital improvement budget of \$2.25 million. Reimbursement will occur only after completion and final acceptance of the project. Any unused portion of the authorization will remain in the fund.
Citizen Input/Board Review	Not applicable

Legal Review	The City Attorney has reviewed the proposed resolution, the amended development agreement, and the procurement and reimbursement process.
Alternative Options	The Council could delay action and request additional information. However, the City has an existing contractual obligation under the development agreement to fund the sewer extension. Delaying approval would postpone construction and could require another procurement if the current bid expires.
Supporting Documents	Resolution No. 2026-R42 Buc-ee's Engineer Recommendation Letter