

Mayor and Council Communication

DATE: 06/09/26

M&C FILE NUMBER: M&C 26-0428

LOG NAME: 60RATIFY EMERJAN2026WSMBANDPAVER-CIRCLECANDTEJAS

SUBJECT

(ALL) Ratify Emergency Contracts with William J. Schultz, Inc. dba Circle C Construction Company and Tejas Commercial Construction, LLC in the Final Amounts of \$695,164.80 and \$378,188.49, Respectively, for the January 2026 Winter Storm Emergency Repair Water Main Breaks and Pavement Repairs and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2026-2030 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Ratify City Secretary Contract No. 64634, an emergency agreement with William J. Schultz, Inc. dba Circle C Construction Company in the amount of \$695,164.80 for for the January 2026 Winter Storm Emergency Repair Water Main breaks and Pavement repairs; and
2. Ratify City Secretary Contract No. 64635, an emergency agreement with Tejas Commercial Construction, LLC in the amount of \$378,188.49, for the January 2026 Winter Storm Emergency Repair Water Main breaks and Pavement repairs; and
3. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Capital Projects Fund in the total amount of \$1,073,353.29, transferred from available PayGo funds within the Water and Sewer Fund for the purpose of funding the Emergency Winter Storm January 2026 Freeze projects (City Project Nos. 106892 and 106891 respectively) and to effect a portion of Water’s contribution to the Fiscal Years 2026-2030 Capital Improvement Program.

DISCUSSION:

The purpose of the Mayor and Council Communication is to ratify emergency contracts with William J. Schultz, Inc. dba Circle C Construction Company and Tejas Commercial Construction, LLC in the final amounts of \$695,164.80 and \$378,188.49.

On January 20, 2026, a winter storm watch was issued for North Texas for the upcoming weekend. Moderate to heavy accumulations of snow, sleet, or ice were likely as well as frigid temperatures expected to fall below freezing by the evening of Friday, January 23 and not return above freezing until Monday, January 26. Extreme cold can lower the water temperature such that mains and laterals break when colder than normal water is circulated through the City’s water distribution system. Especially vulnerable are the aging cast iron pipes in the system. Main breaks could occur even after the daily temperatures rise above freezing as the latent cold water is still flowing through the system.

Water Field Operations typically handles the majority of the main breaks but based on recent past cold weather events, private contractors were needed for additional support to repair main breaks and restore pavement to a drivable condition.

Under an emergency authorization memorandum approved on January 21, 2026, William J. Schultz, Inc. dba Circle C Construction Company (City Secretary Contract No. 64634) and Tejas Commercial Construction, LLC, (City Secretary Contract No. 64635) were engaged for repairs to the water mains. The total cost for both of these contracts was \$1,073,353.29, which is fair and reasonable for the work performed. Upon ratification of these contracts, staff will close them out.

Section 252.022 of the Local Government Code exempts from normal bidding requirements that are necessary to preserve or protect public health or safety of the municipality’s residents and procurements that are necessary because of unforeseen damage to public machinery, equipment or property.

It is the practice of the Water Department to appropriate its Capital Improvement Program (CIP) plan throughout the Fiscal Year (FY), instead of within the annual budget ordinance, as projects commence, additional funding needs are identified, and to comply with bond covenants.

Funding is budgeted in the Transfer to Water/Sewer account of the Water operating budget for the purpose of funding the Emer W Jan 2026 Freeze (TEJAS) and the EMER W JAN 2026 Freeze (CIRCLE) projects within the Water & Sewer Capital Project Fund.

FY2026 – Water PAYGO Appropriations per City Ordinance 27979-09-2025

FY2026 Original Adopted PayGo	FY2026 Amended PayGo (Includes any council actions subsequent to budget adoption)	YTD PayGo Approved for/Moved to Capital Projects	This M&C	FY2026 Remaining PayGo Balance

\$101,090,082.00 **\$101,090,082.00** **\$(54,317,739.00)** **\$(1,073,353.29)** **\$45,698,989.71**

Note: there may be other pending actions or recently approved actions that are not reflected in the table due to timing.

Appropriations for emergency repair contracts 64634 and 64635 in project Emer W Jan 2026 Freeze projects are depicted below:

EMER W Jan 2026 Freeze (Tejas) City Project No. 106891

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects - Fund 56002	\$0.00	\$378,188.49	\$378,188.49
Project Total	\$0.00	\$378,188.49	\$378,188.49

EMER W Jan 2026 Freeze (Circle C) City Project No. 106892

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects - Fund 56002	\$0.00	\$695,164.80	\$695,164.80
Project Total	\$0.00	\$695,164.80	\$695,164.80

*Numbers rounded for presentation purposes.

This project was located in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Water & Sewer Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Capital Projects Fund for the EMER W Jan 2026 Freeze (TEJAS) and EMER W Jan 2026 Freeze (CIRCLE projects. Prior to expenses being incurred, the Water Department has the responsibility of verifying the availability of funds.

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