

Mayor and Council Communication

DATE: 08/22/23

M&C FILE NUMBER: M&C 23-0693

LOG NAME: 20SWM GREENLEAF SUMP STORM DRAIN CONST

SUBJECT

(CD 9) Authorize Execution of a Contract with S.J. Louis Construction of Texas LTD, in the Amount of \$6,050,404.00, for Construction of the Fort Worth Central City Greenleaf Sump Storm Drain Project, Adopt Resolution Expressing Official Intent for City to Reimburse Expenditures with Proceeds of Future Reimbursement from the TRWD, Adopt Appropriation Ordinances, and Amend the Fiscal Years 2023-2027 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a contract with S.J. Louis Construction of Texas LTD, in the amount of \$6,050,404.00, for construction of the Fort Worth Central City (FWCC) Greenleaf Sump Storm Drain project (City Project No. 103260);
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt and/or annual payments from the Tarrant Regional Water District for the Fort Worth Central City Greenleaf Sump Storm Drain project;
3. Adopt the attached appropriation ordinance adjusting appropriations in the Stormwater Commercial Paper Fund by increasing appropriations in the amount of \$7,237,351.00 in the FWCC Greenleaf Sump Storm Drain project (City Project No. 103260) and decreasing appropriations in the Stormwater Commercial Paper project (City Project No. UCMLPR) by the same amount; and
4. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Stormwater Capital Projects Fund by increasing estimated receipts and appropriations in the FWCC Greenleaf Sump Storm Drain project (City Project No. 103260) in the amount of \$100,000.00 by decreasing estimated receipts and appropriations in FWCC Grand Ave Ph 2 Pt 2 (City Project No. 103664) by the same amount; and
5. Amend the TPW Fiscal Years 2023-2027 Capital Improvement Program.

DISCUSSION:

The construction contract recommended by this Mayor and Council Communication (M&C) will provide for construction services related to the Fort Worth Central City (FWCC) Greenleaf Sump Storm Drain project. The Transportation and Public Works (TPW) Department Stormwater Program is advancing the funding for FWCC Greenleaf Sump Storm Drain project and will be reimbursed by the Tarrant Regional Water District (TRWD). This project will involve the installation of a new storm drain line and replacement of 8 inlets as indicated at the locations below, in preparation for the South Bypass Channel planned by the United States Army Corps of Engineers (USACE). The project will begin at the intersection of Kansas Street and Greenleaf Street and outfall into the future South Bypass Channel, approximately ¼ mile northeast of this intersection. The below table outlines the project limits and the scope of work.

Location	From	To	Scope of work
Greenleaf St	Greenleaf/ Kansas St Intersection	935 ft N	Storm Drain and replacement of 8 inlets
2000 White Settlement Road (TRWD Property)	Greenleaf St and White Settlement bridge	310 ft NE	Storm Drain
2000 White Settlement Road (TRWD Property)	Greenleaf St and White Settlement bridge	120 ft NE	Storm Drain and Outfall structure

The project was advertised for bids on May 18th, 2023 and May 25th, 2023 in the *Fort Worth Star-Telegram*. On June 15th, 2023, the following bids were received:

Bidder	Base Bid

S J Louis Construction of Texas LTD	\$6,050,404.00
Circle C Construction	\$7,547,760.00
Western Municipal Construction of Texas	Bid Withdrawn

On June 16th, 2023, Western Municipal Construction of Texas, LLC gave notice of a substantial bid error in their supplied bid and requested the bid not be considered.

This project is anticipated to be included in future commercial paper draws and repaid from a series of annual reimbursements from the Tarrant Regional Water District (TRWD) as part of the FWCC Greenleaf Sump Storm Drain project. In the event any bond-eligible costs are not fully reimbursed by TRWD, those costs would be anticipated to be included in a future revenue bond issue for the Drainage (Stormwater) Utility. Available cash within the Stormwater portfolio and the City's portfolio along with the appropriation authority authorized under the Commercial Paper Program (CP) will be used to provide interim financing, which would be initially reimbursed by issued CP and subsequently repaid by the annual payments from TRWD and/or issued debt. Under federal law, debt must be issued within approximately three years in order for these expenses to be reimbursable. Adoption of the attached resolution does not obligate the City to sell debt but preserves the ability of the City to reimburse itself from tax-exempt debt proceeds. Once reimbursement associated with this project is received or debt issued, those funds will be used to reimburse the Stormwater portfolio and the City's portfolio in accordance with the attached reimbursement resolution.

Funding for the FWCC Greenleaf Sump Storm Drain project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Adjustments	Project Total
52009 – Stormwater Commercial Paper	\$0.00	\$7,237,351.00		\$7,237,351.00
52002 – Stormwater Capital Projects	\$1,261.00	\$100,000.00		\$101,261.00
Total				\$7,338,612.00

The actions of this M&C change the funding source from 2023 Revenue Bonds to Commercial Paper.

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
Fund 52009 – Stormwater Commercial Paper	103260 – FWCC Greenleaf Sump	\$0.00	This M&C	\$7,237,351.00	\$7,237,351.00
Fund 52002 – Stormwater Capital Projects	103260 – FWCC Greenleaf Sump	\$1,261.00	This M&C	\$100,000.00	\$101,261.00
Total					\$7,338,612.00

Due to TRWD water quality regulations associated with the outfall locations of these storm drain improvements, this project will install specialized water quality treatment inlet devices in multiple inlets which will require a higher level of maintenance than the existing system's inlets. This additional maintenance is expected to cost Stormwater field operations an additional \$2,400.00/year to maintain. Construction is expected to start in August 2023 and be completed by August 2024.

The \$6,050,404.00 amount of this contract, the \$75,000.00 material testing fee (to be performed by a geotechnical testing firm), and the \$120,000.00 inspection fee (to be performed by an inspection firm) are considered FWCC-related work, which are eligible for funding from Tax Increment Reinvestment Zone No. 9 (Trinity River Vision TIF) pursuant to the Trinity River Vision Authority (TRVA) Project Plan. Having met its \$26.6 million commitment to the TRVA Project, the TRWD will reimburse the City's yearly expenses at the end of each fiscal year, up to the total amount of \$6,245,404.00 at project completion, in accordance with the provisions of the executed Interlocal Agreement between the City and the TRWD (City Secretary Contract No. 43425). Staff will record a receivable every month for reimbursable expenses, and the FWCC Program Manager in the FW Lab Department will be responsible for collecting the full reimbursement from TRWD at the end of each fiscal year. An additional \$302,520.00 in construction contingencies have been added into the project, which may be used if additional proceeds are needed for FWCC-related work. Also, \$100,000.00 in city staff time for project oversight and contract management will be added, which is non-reimbursable by TRWD.

In addition to this, the commercial paper funding will be used to replace currently allocated funds (per M&C's 21-0328 & 21-0508) for design phase related expenses, in the total amount of \$451,740.00. Additional project management and construction administration expenses for both TranSystems and Shield Engineering are anticipated to be \$237,687.00. Reimbursement for these expenses will be covered on separate M&C's.

	City of Fort Worth Upfront Funding	Anticipated TRWD Reimbursement	Anticipated Final City of Fort Worth Cost
Construction	\$6,050,404.00	\$6,050,404.00	\$0.00
Contingency	\$302,520.00	\$302,520.00	\$0.00
Material Testing	\$75,000.00	\$75,000.00	\$0.00
Inspection	\$120,000.00	\$120,000.00	\$0.00
City Staff Time	\$100,000.00	\$0.00	\$100,000.00
Design Phase	\$451,740.00	\$451,740.00	\$0.00
Construction Administration	\$237,687.00	\$237,687.00	\$0.00
Total	\$7,337,351.00	\$7,237,351.00	\$100,000.00

Business Equity – S.J. Louis Construction of Texas LTD is in compliance with the City's Business Equity Ordinance by committing to 9% Business Equity participation on this project. The City's Business Equity goal on this project is 7%.

This project is located in COUNCIL DISTRICT 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Commercial Paper project within the Stormwater Commercial Paper Fund and in the FWCC Grand Ave Ph2 Pt2 project within the Stormwater Capital Projects Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the Stormwater Commercial Paper Fund for the FWCC 5th Street Greenleaf Sump project to support the above recommendations and execution of the contract. Prior to any expenditure being incurred, the Transportation & Public Works Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: William Johnson 5806

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