

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 05/13/25M&C FILE NUMBER: M&C 25-0403

LOG NAME: 60SSM295M329U123CO1-CIRLCEC

SUBJECT

(CD 8) Authorize Execution of Change Order No. 1 in the Amount of \$634,945.10 to a Contract with William J. Schultz, Inc. dba Circle C Construction Company for the Sanitary Sewer Interceptor Improvements M-295 and M-329 Project; Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt; and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2025-2029 Capital Improvements Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of Change Order No. 1 in the amount of \$634,945.10 to City Secretary No. 61758, a contract with William J. Schultz, Inc. dba Circle C Construction Company for Sanitary Sewer Interceptor Improvements M- 295 and M-329 project for a revised contract amount of \$15,073,214.60;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Sanitary Sewer Interceptor Improvements M-295 and M-329 Units 1,2, and 3; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the CFA Bucket project (City Project No. P00001) in the amount of \$634,946.00 and decreasing appropriations in the Water & Sewer Commercial Paper project (City Project No. UCMLPR) by the same amount for the purpose of funding the CFA-S.S. Mains M-295 and M-329 project (City Project No. 102152) and to affect a portion of Water’s Contribution to the Fiscal Years 2025-2029 Capital Improvement Program.

DISCUSSION:

On June 25, 2024, by Mayor and Council Communication (M&C) 24-0608, the City Council authorized a construction contract with William J. Schultz, Inc. dba Circle C Construction Company in the amount of \$14,438,269.50 for the CFA-Sanitary Sewer Interceptor Improvements M- 295 and M-329 project.

Change Order No. 1, with a net total increase in the amount of \$634,945.10 after deducts, will primarily provide for reconnection of previously unknown sewer services that were encountered during construction of the new sewer main along with the necessary manholes to convey from private property, removal of broken pieces of pipe that were left by the previous contractor, and installation of a segment of the project main by other than open cut (BOTC) in order to maintain an uninterrupted pace of pipe laying and eliminate the need for substantial traffic control on Enon Road, a major throughfare in the City of Everman. BOTC installation will also eliminate the need for by-pass pumping as the existing sewer main will be utilized to convey sewage flow.

This project is anticipated to be included in a future revenue bond issue for the Water & Sewer Fund. Available cash within the Water and Sewer portfolio and the City’s portfolio along with the appropriation authority authorized under Callable Commercial Paper Program (CP) will be used to provide interim financing for this project until debt is issued. Once debt associated with this project is sold, bond proceeds will be used to reimburse the Water and Sewer portfolio and the City’s portfolio in accordance with the attached reimbursement resolution. 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 bonds, but preserve the ability of the City to reimburse itself from tax-exempt bond proceeds.

It is the practice of the Water Department to appropriate its 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. The actions in the Mayor & Council Communication will amend the City of Fort Worth’s Fiscal Years 2025-2029 Capital Improvement Program, as follows:

| Capital Fund Name | Project Name | FY2025 CIP Appropriations | Authority | Budget Change (Increase/Decrease) | Revised FY2025 Budget |
|------------------------------|--|---------------------------|-----------|-----------------------------------|-----------------------|
| 56023 – W&S Commercial Paper | 102152 – CFA-S.S. Mains M-295 and M- 329 | \$0.00 | This M&C | \$634,946.00 | \$634,946.00 |

Funding is budgeted in the Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the CFA-S.S. Mains M-295 and M-329 project.

Funding for the CFA-S.S. Mains M-295 and M-329 project is depicted below:

| Fund | Existing Appropriations | Additional Appropriations | Project Total* |
|--|-------------------------|---------------------------|-----------------|
| Gvt Community Facilities Agmt – Fund 30111 | \$14,000.00 | \$0.00 | \$14,000.00 |
| CFA Developer – Fund 30114 | \$69,537.23 | \$0.00 | \$69,537.23 |
| Water/Sewer Bond 2016 – Fund 56005 | \$167,341.00 | \$0.00 | \$167,341.00 |
| W&S Community Facilities Agmt – Fund 56008 | \$16,502.34 | \$0.00 | \$16,502.34 |
| Water & Sewer Bond 2020A – Fund 56017 | \$1,329,602.00 | \$0.00 | \$1,329,602.00 |
| W&S Rev Bonds Series 2022 – Fund 56020 | \$8,711,004.00 | \$0.00 | \$8,711,004.00 |
| W&S Commercial Paper – Fund 56023 | \$9,932,489.00 | \$639,946.00 | \$10,572,435.00 |
| Project Total | \$20,240,475.57 | \$639,946.00 | \$20,880,421.57 |

*Numbers rounded for presentation purposes.

Business Equity - William J. Schultz, Inc. dba Circle C Construction Co. agrees to maintain its initial M/WBE commitment of 22 percent that it made on the original contract and extend and maintain that same M/WBE commitment of 22 percent to this first change order. Therefore William J. Schultz, Inc. dba Circle C Construction Co. remains in compliance with the City's M/WBE Ordinance and attests to its commitment by its signature on the Acceptance of Previous M/WBE Commitment form executed by an authorized representative of its company.

This project is located in COUNCIL DISTRICT 8.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the Commercial Paper project within the W&S Commercial Paper Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Commercial Paper Fund for the CFA-S.S. Mains M-295 and M-329 project to support the above recommendations and execution of the change order. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Jessica McEachern 5804

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Walter Norwood 5026

Expedited