

Mayor and Council Communication

DATE: 09/12/23

M&C FILE NUMBER: M&C 23-0775

LOG NAME: 60RHWTP SCRUBBER –EAGLE AND CAROLLO

SUBJECT

(CD 8) Authorize Execution of a Contract with Eagle Contracting, LLC, in the Amount of \$5,463,247.00 for Rolling Hills Water Treatment Plant Chlorine Scrubber System, Authorize Execution of Amendment No. 2 in the Amount of \$340,000.00 to an Engineering Agreement with Carollo Engineers, Inc., for Rolling Hills Water Treatment Plant Chlorine Scrubber System, Provide for Total Project Costs in the Amount of \$6,330,594.00, Adopt Attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinances to Effect a Portion of Water’s Contribution to the Fiscal Years 2023-2027 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a contract with Eagle Contracting, LLC, Inc. in the amount of \$5,463,247.00 for Rolling Hills Water Treatment Plant Chlorine Scrubber System project (City project No. 103127);
2. Authorize execution of Amendment No. 2 to an Engineering Agreement with Carollo Engineers, Inc., City Secretary Contract No. 56059, in the amount of \$340,000.00 for construction support services for Rolling Hills Water Treatment Plant Chlorine Scrubber System project (City project No. 103127) for a revised contract amount of \$945,200.00;
3. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Rolling Hills Water Treatment Plant Chlorine Scrubber System; and
4. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Rolling Hills Water Treatment Plant Chlorine Scrubber System (City Project No. 103127) in the amount of \$6,330,594.00 and decreasing appropriations in the W&S Commercial Paper (City Project No. UCMLPR) by the same amount to affect a portion of Water’s Contribution to the Fiscal Years 2023-2027 Capital Improvement Program.

DISCUSSION:

On June 8, 2021, Mayor and Council Communication (M&C) 21-0374, authorized an engineering agreement with Carollo Engineers, Inc., City Secretary Contract No. 56059, in the amount of \$155,200.00, for an evaluation and to determine whether to replace or upgrade the existing chlorine scrubber system at Rolling Hills Water Treatment Plant (RHWTP). The agreement was subsequently revised by Amendment No. 1 in the amount \$450,000.00 on September 27, 2022, M&C 22-0741, that provided for the design services to replace the existing chlorine scrubber system.

As part of Amendment No. 2, the engineer will provide construction phase services, including shop drawing reviews, part time Resident Project Representative services, site visits, technical assistance and set up assistance.

The project was advertised for bid on June 01 and 08, 2023, in the *Fort Worth Star-Telegram*. On June 29, 2023, the following bids were received:

Bidder	Total Bid	Contract Time
Eagle Contracting, LLC	\$5,463,247.00	600 Calendar Days
Crescent Constructors, Inc.	\$5,997,000.00	
Archer Western Construction, LLC	\$6,220,000.00	
Felix Construction Company	\$6,439,000.00	

In addition to the contract cost, \$308,817.00 is required for staff costs including project management material testing and inspection and \$218,530.00 is provided for project contingency.

This project will have no impact on the Water Department's operating budget when complete.

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 the 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 preserves 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, 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 M&C will amend the City of Fort Worth’s Fiscal Year 2023-2027 Capital Improvement Program as follows:

60RHWTP SCRUBBER – EAGLE AND CAROLLO

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56022 - W&S Commercial Paper	103127 - RH Chlorine Scrubber System Project	\$0.00	This M&C	\$6,330,594.00	\$6,330,594.00

Funding is budgeted in the Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the RH Chlorine Scrubber System project.

Funding for the RHWTP Chlorine Scrubber System project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Rev Bonds Series 2022 - Fund 56020	\$190,000.00	\$0.00	\$190,000.00
W&S Rev Bonds Series 2023 - Fund 56021	\$530,000.00	\$0.00	\$530,000.00
W&S Commercial Paper - Fund 56022	\$0.00	\$6,330,594.00	\$6,330,594.00
Project Total	\$720,000.00	\$6,330,594.00	\$7,050,594.00

*Numbers rounded for presentation purposes.

Business Equity – Eagle Contracting LLC. A waiver of the goal for Business Equity subcontracting requirements was requested, and approved by the DVIN, in accordance with the applicable Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

Business Equity – Carollo Engineers, Inc. agrees to maintain its initial SBE commitment of seven percent that it made on the original agreement and extend and maintain that same SBE commitment of seven percent to all prior amendments up to and inclusive of this Amendment No.

2. Therefore Carollo Engineers, Inc. remains in compliance with the City's BDE Ordinance and attests to its commitment by its signature on the Acceptance of Previous SBE Commitment form executed by an authorized representative of its company.

The project is located in COUNCIL DISTRICT 8.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently 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 RH Chlorine Scrubber System project to support execution of the amendment to the engineering contract and the construction contract. 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: Dana Burghdoff 8018

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