

# Mayor and Council Communication

DATE: 06/27/23

M&C FILE NUMBER: M&C 23-0542

LOG NAME: 60FWCCP14SSR-SJLOUIS

**SUBJECT**

(CD 2) Authorize Execution of a Contract with S.J. Louis Construction of Texas, Ltd. in the Amount of \$34,824,041.30 for the Fort Worth Central City Part 14 – Channel Segment C, Sanitary Sewer Relocations Project, Provide for Project Costs in the Amount of \$35,830,946.00, Adopt Resolution Expressing Official Intent for City to Reimburse Itself, and Adopt Appropriation Ordinance 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 S.J. Louis Construction of Texas, Ltd. in the amount of \$34,824,041.30 for the Fort Worth Central City Part 14 – Channel Segment C, Sanitary Sewer Relocations project;
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 Water & Sewer Relocations project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the Fort Worth Central City Water & Sewer Relocations project (City Project No. 104484) in the amount of \$35,830,946.00 and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount.

**DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of a contract with S.J. Louis Construction of Texas, Ltd. in the amount of \$34,824,041.30 for the Fort Worth Central City Part 14 – Channel Segment C, Sanitary Sewer Relocations.

This project Part 14, provides for sanitary sewer relocations and abandonments as identified on the attached Mayor and Council Communication Location Map to accommodate future Bypass Channel C by the United States, Army Corps of Engineering for the Fort Worth Central City project.

The project was advertised for bid on April 13 and 20, 2023, in the *Fort Worth Star-Telegram*. On June 1, 2023, the following bids were received:

Bidders	Total Bid	Contract Time
S.J. Louis Construction of Texas, Ltd.	\$34,824,041.30	500 Calendar Days
Southland Holdings, LLC	\$37,606,669.75	

In addition to the contract amount \$589,016.70 is required for project management, material testing and inspection and \$417,888.00 is provided for project contingencies.

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

This project is anticipated to be repaid from a series of annual reimbursements from the Tarrant Regional Water District (TRWD) as part of the Fort Worth Central City Water & Sewer Relocations 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 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 the debt is issued. Once payment is received from TRWD and/or debt associated with the unreimbursed portions of this project is sold, those funds 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:

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Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase / Decrease)	Revised FY2023 Budget

56022 - W&S Commercial Paper	104484 – FWCC Water & Sewer Relocations	\$0.00	This M&C	\$35,830,946.00	\$35,830,946.00
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Funding for the Fort Worth Central City Part 14 – Channel Segment C, Sanitary Sewer Relocations project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper - Fund 56022	\$0.00	\$35,830,946.00	\$35,830,946.00
<b>Project Total</b>	<b>\$0.00</b>	<b>\$35,830,946.00</b>	<b>\$35,830,946.00</b>

The sanitary sewer \$34,824,041.30 amount of this contract and the sanitary sewer \$186,782.00 amount of material testing fees (to be performed by a geotechnical testing firm) are considered Trinity River Vision (TRV)-related work, which are eligible for funding from Tax Increment Reinvestment Zone No. 9 (TRVA TIF) pursuant to the TRVA Project Plan. Having met its \$26.6 million commitment to the TRV Project, the City will be reimbursed the sanitary sewer amount of \$35,010,823.30 by the TRWD, in accordance with the provisions of the executed Interlocal Agreement between the City and the TRWD (City Secretary Contract No. 43425, as amended). TRWD has agreed to reimburse for TRVA completed work on an annual basis, which will provide the City with more timely replenishment of funds. Staff will record a receivable every month for reimbursable expenses, and the Water Department will be responsible for collecting the full reimbursement from TRWD annually.

\*Numbers rounded for presentation purposes.

**Business Equity:** S.J. Louis Construction of Texas, Ltd. is in compliance with the City's Business Equity Ordinance by committing to 17 percent MWBE participation on this project. The City's MWBE goal on this project is 16 percent.

The project is located in COUNCIL DISTRICT 2.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the W&S 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 FWCC Water and Sewer Relocations project to support the above recommendations and execution of the 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

**Originating Business Unit Head:** Chris Harder 5020

**Additional Information Contact:** Liam Conlon 6824

Expedited