

# Mayor and Council Communication

**DATE:** 06/13/23

**M&C FILE NUMBER:** M&C 23-0499

**LOG NAME:** 60WS IV TRANSMISSION MAIN - MCKEE

**SUBJECT**

(CD 3) Authorize Execution of a Contract with McKee Utility Contractors, Inc., in the Amount of \$11,624,937.00 for Westside IV 36-Inch Water Transmission Main Provide for Project Costs for an Additional Project Total in the Amount of \$12,429,931.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinance

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of a contract with McKee Utility Contractors, Inc. in the amount of \$11,624,937.00 for the Westside IV 36-Inch Transmission Main from Aledo Road to Westside IV Elevated Storage Tank project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the WSIV Elevated WST & Trans Main project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the WSIV Elevated WST & Trans Main project (City Project No. 103292) in the amount of \$12,429,931.00 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 McKee Utility Contractors, Inc., in the amount of \$11,624,937.00 for Westside IV 36-Inch Transmission Main from Aledo Road to Westside IV Elevated Storage Tank project.

The project was advertised for bid on March 16 and 23, 2023, in the *Fort Worth Star-Telegram*. On April 20, 2023, the following bids were received:

Bidder	Base Bid	Contract Time
<b>McKee Utility Contractors, Inc.</b>	<b>\$11,624,937.00</b>	<b>325 Calendar Days</b>
S J Louis Construction of Texas, Ltd	\$12,562,003.58	
Reyes Group, Ltd	\$12,733,555.00	
Mountain Cascade of Texas, LLC	\$13,200,418.00	
Harper Brothers Construction, LLC	\$15,011,406.74	

In addition to the contract cost, \$514,370.00 is required for project management and inspection and \$290,624.00 is provided for project contingency.

This project will have no impact on the Water Department 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:

60WS IV TRANSMISSION MAIN - MCKEE

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
	103292				

56022 - W&S Commercial Paper	- WSIV Elevated WST& Trans Main	\$0.00	This M&C	\$12,429,931.00	\$12,429,931.00
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Funding for the WSIV Elevated WST& Trans Main project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper -Fund 56020	\$1,831,291.00	\$0.00	\$1,831,291.00
W&S Commercial Paper -Fund 56021	\$8,853,934.00	\$0.00	\$8,853,934.00
W&S Commercial Paper -Fund 56022	\$0.00	\$12,429,931.00	\$12,429,931.00
W&S Capital Projects Fund 56002	\$324,256.00	\$0.00	\$324,256.00
<b>Project Total</b>	<b>\$11,009,481.00</b>	<b>\$12,429,931.00</b>	<b>\$23,439,412.00</b>

\*Numbers rounded for presentation purposes.

**Business Equity** – McKee Utility Contractors, Inc. is in compliance with City’s Business Equity Ordinance by committing to eight percent MWBE participation on this project. The City’s MWBE goal on this project is six percent.

The project is located in COUNCIL DISTRICT 3.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds will be available after the sale of the Water and Sewer Bonds 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 WSIV Elevated WST & Trans Main project to support the approval of the above recommendations and 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

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

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