

# Mayor and Council Communication

**DATE:** 10/17/23

**M&C FILE NUMBER:** M&C 23-0875

**LOG NAME:** 60IH30LINKCRESTIH820-KHA

**SUBJECT**

(CD 3) Authorize Execution of an Engineering Agreement with Kimley-Horn and Associates Inc., in the Amount of \$595,000.00 for the Interstate Highway-30 from Linkcrest Drive to Interstate Highway-820 Water and Sanitary Sewer Main Relocations 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 2024-2028 Capital Improvement Program

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of an engineering agreement with Kimley-Horn and Associates, Inc. in the amount of \$595,000.00 for the Interstate Highway-30 from Linkcrest Drive to Interstate Highway-820 Water and Sanitary Sewer Main Relocations Project;
2. Adopt the attached Resolution expressing official intent to reimburse expenditures with proceeds of future debt for the Interstate Highway-30 from Linkcrest Drive to Interstate Highway-820 Water and Sanitary Sewer Main Relocations Project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Interstate Highway-30 from Linkcrest Drive to Interstate Highway-820 Water and Sanitary Sewer Main Relocations Project (City Project No. 104518) in the amount of \$715,000.00 and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount, to effect a portion of Water’s contribution to the Fiscal Years 2024-2028 Capital Improvement Program.

**DISCUSSION:**

The Texas Department of Transportation (TXDOT) proposes to reconstruct and widen Interstate Highway (IH)-30 from Linkcrest Drive to IH-820. This project has also been identified and specifically listed in Mobility 2040: The Metropolitan Transportation Plan for North Central Texas, developed by North Central Texas Council Of Governments. Due to conflicts with the proposed roadway and drainage construction, water and sanitary sewer main relocations and adjustments are necessary along the IH-30 corridor.

Kimley-Horn and Associates, Inc. proposes to provide the necessary design and project management services for a lump sum fee of \$595,000.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount, \$120,000.00 (Water: \$90,000.00, Sewer: \$30,000.00) is required for staff project management costs, real property acquisitions, material testing and inspection.

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 to reimburse itself from tax-exempt bond proceeds.

It is the practice of the Water Department to appropriate its Capital Improvement Program (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 appropriate funds in support of the Water’s portion of the City of Fort Worth’s Fiscal Years 2024-2028 Capital Improvement Program, as follows:

**60IH30LINKCRESTIH820-KHA**

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
	104518 – IH30				

Fund 56022 Commercial Paper	Linkcrest IH820 W/SS Relo Project	\$0.00	This M&C	\$715,000.00	\$715,000.00
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Funding for the IH-30 from Linkcrest Drive to IH-820 Water and Sanitary Sewer Main Relocations Project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper– Fund 56022	\$0.00	\$715,000.00	\$715,000.00
<b>Project Total</b>	<b>\$0.00</b>	<b>\$715,000.00</b>	<b>\$715,000.00</b>

\*Numbers rounded for presentation purposes.

Funding will be available in the Water Department's W&S Commercial Paper Fund project within the W&S Commercial Paper Fund for the purpose of funding the IH-30 from Linkcrest Drive to IH-820 Water and Sanitary Sewer Main Relocations Project.

Business Equity: Kimley-Horn and Associates, Inc., is in compliance with the City's Business Equity Ordinance by committing to 10 percent MWBE participation on this project. The City's MWBE goal on this project is 10 percent.

This project is located in COUNCIL DISTRICT 3.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in 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 IH30 Linkcrest IH820 W/SS Relo Project to support the above recommendations and execution of the contract. Prior to any expenditure being incurred, the Water Department has the responsibility to validate 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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