

Mayor and Council Communication

DATE: 06/13/23

M&C FILE NUMBER: M&C 23-0492

LOG NAME: 60FM156CANTRELLSANSOM-KHA

SUBJECT

(CD 2) Authorize Execution of an Engineering Agreement with Kimley-Horn and Associates Inc., in the Amount of \$282,600.00 for the Farm to Market 156 at Cantrell-Sansom Road Water Main Relocation 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 2023-2027 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 \$282,600.00 for the Farm to Market 156 at Cantrell-Sansom Road Water Main Relocation project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Farm to Market 156 at Cantrell-Sansom Road Water Main Relocation project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the FM-156 at Cantrell-Sansom Road Water Main Relocation project (City Project No. 104515) in the amount of \$362,600.00 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 2023-2027 Capital Improvement Program.

DISCUSSION:

On September 14, 2021, (Mayor and Council Communication (M&C) 21-0669) the City of Fort Worth executed an Interlocal Agreement with the City of Saginaw for intersection improvements at Cantrell Sansom Road and Farm to Market 156 (FM 156). The proposed roadway improvements are in conflict with existing City water main crossing FM 156 and water vault structures on E. Industrial Avenue / Cantrell Sansom Road that must be relocated and adjusted, respectively.

The proposed scope of services consists of design, coordination with and review of with Texas Department of Transportation and its contractor’s plans, shop drawing reviews, permit applications and project meetings with all stake holders. Kimley-Horn and Associates, Inc. proposes to provide the necessary services for a fee not to exceed \$282,600.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount, \$80,000.00 is required for project management, 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 of the City 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 2023-2027 Capital Improvement Program, as follows:

| Capital Fund Name | Project Name | FY2023 CIP Appropriations | Authority | Budget Change (Increase/ Decrease) | Revised FY2023 Budget |
|-------------------------------|--|---------------------------|-----------|------------------------------------|-----------------------|
| Fund 56022 – Commercial Paper | 104515 – FM-156 at Cantrell-Sansom Water Project | \$0.00 | This M&C | \$362,600.00 | \$362,600.00 |

Funding for the FM-156 at Cantrell-Sansom Road Water Main Relocation Project is depicted below:

| Fund | Existing Appropriations | Additional Appropriations | Project Total* |
|-----------------------------------|--------------------------------|----------------------------------|-----------------------|
| W&S Commercial Paper – Fund 56022 | \$0.00 | \$362,600.00 | \$362,600.00 |
| Project Total | \$0.00 | \$362,600.00 | \$362,600.00 |

***Numbers rounded for presentation purposes.**

Funding is available in Water Department's W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Cantrell-Sansom Road Water Relocation project.

Business Equity: Kimley-Horn and Associates, Inc., is in compliance with the City's Business Equity Ordinance by committing 16 percent Business Equity participation on this project. The City's Business Equity goal on this project is 10 percent.

This project is located in COUNCIL DISTRICT 2 and FUTURE COUNCIL DISTRICT 2.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds will be available after the sale of 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 FM-156 at Canrell-Sansom Water project to support the approval of the above recommendations. 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: John Kasavich 8480