

Mayor and Council Communication

DATE: 08/09/22

M&C FILE NUMBER: M&C 22-0595

LOG NAME: 60WSGEN&EMERPLANA3-FNI

SUBJECT

(CD 3, CD 6, CD 8 and CD 9) Authorize Execution of Amendment No. 3 to an Engineering Agreement with Freese & Nichols, Inc., in the Amount of \$1,845,867.00, for Additional Services to the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants 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 2022- 2026 Capital Improvement Program

RECOMMENDATION:

It is recommended that City Council:

1. Authorize execution of Amendment No. 3 to City Secretary No. 55946, an engineering agreement with Freese & Nichols, Inc., in the amount of \$1,845,867.00, for additional services to the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants project for revised contract amount of \$4,664,385.00;
 2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants project; and
 3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Westside Water Treatment Plant Generator and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plant project (City Project No. 103410) in the amount of \$1,945,867.00 and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount, to effect a port of Water's contribution to the Fiscal Years 2022-2026 Capital Improvement Program.
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DISCUSSION:

The February 2021 Deep Freeze caused power failures to Eagle Mountain Water Treatment Plant (EMWTP), the Westside Water Treatment Plant (WSWTP) and affected the North and South Holly Water Treatment Plants, along with power supply and freezing issues at some pump stations. In response to the power outages, the Water Department implemented a series of projects to minimize the effects of future power failures and/or freezing temperatures on Water Facilities. In addition, the State of Texas enacted a law, Senate Bill 3 (SB3), requiring the submittal of an Emergency Preparedness Plan by March 1, 2022.

On June 22, 2021, Mayor and Council Communication (M&C) 21-0480 authorized an engineering agreement with Freese and Nichols, Inc. (City Secretary Contract No. 55946) in the amount of \$1,215,325.00 for the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants project.

The original scope of service included the following: Preparation of the required SB3 Emergency Preparedness Plan by March 1, 2022 for responding to extended electric power failures; Design and preparation of construction documents for the installation of emergency electric generators at the Westside Water Treatment Plant; and Study and prepare a plan for emergency power at the North and South Holly Water Treatment Plants.

The agreement was subsequently revised by Amendment No. 1 in the amount of \$17,802.00 administratively authorized November 4, 2021 to provide for additional coordination and review of ONCOR's design load sheet for an electrical service connection on the west property line of the Eagle Mountain Water Treatment Plant, and Amendment No. 2 in the amount of \$1,585,391.00 (M&C 22-0101, February 8, 2022) to provide for design, bid, and construction phase services for backup power including electrical switchgear and generators in order to maintain functionality of these assets in the event of future deep freezes at the following Water Department pump stations: Alta Mesa, Edwards Ranch, Eastside and Como. The amendment also allowed for construction phase services for the installation of Westside Water Treatment Plant Backup Generators project.

Amendment No. 3 will allow for design, bid, and construction phase services for the installation of emergency back-up power consisting of generators and electrical switchgear at the North and South Holly Water Treatment plants. The proposed scope of services include the sizing and siting of the generators and all electrical gear necessary for support, site improvements including grading and fencing/security and construction phase services.

Freese & Nichols, Inc. proposes to perform the additional services for a fee not to exceed \$1,845,867.00. Staff considers the fee to be fair and reasonable for the services proposed. In addition to the amendment amount, \$100,000.00 is necessary for material testing.

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 2022-2026 Capital Improvement Program,

as follows:

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Capital Fund Name	Project Name	FY2022 CIP Appropriations	Authority	Budget Change (Increase/ Decrease)	Revised FY2022 Budget
56021 – W&S Commercial Paper Fund	103410 - WS Gen & Emer Prep Plan	\$0.00	This M&C	\$1,945,867.00	\$1,945,867.00

Funding for the WS Gen & Emer Prep Plan Project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Project – Fund 56002	\$12,814,614.00	\$0.00	\$12,814,614.00
W&S Rev Bonds Series 2022 – Fund 56020	\$2,905,716.00	\$0.00	\$2,905,716.00
W&S Commercial Paper– Fund 56021	\$0.00	\$1,945,867.00	\$1,945,867.00
Project Total	\$15,720,330.00	\$1,945,867.00	\$17,666,197.00

*Numbers rounded for presentation purposes.

This project is anticipated to be included in a future revenue bond issue for the Water and 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.

Business Equity – Freese and Nichols, Inc. agrees to maintain its initial M/WBE commitment of eight percent that it made on the original agreement and extend and maintain that same M/WBE commitment of eight percent to all prior amendments up to and inclusive of this Amendment No. 3. Therefore Freese and Nichols, Inc. remains in compliance with the City’s Business Equity Ordinance and attests to its commitment by its signature on the Acceptance of Previous M/WBE Commitment form executed by an authorized representative of its company.

The project is located in Council Districts 3, 6, 8 and 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the UCMLPR 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 WS Gen & Emer Prep Plan project to support the approval of 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

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