

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 06/25/24 M&C FILE NUMBER: M&C 24-0599

LOG NAME: 60AVONDALEHROAD36INWM-HDR

SUBJECT

(CD 10) Authorize Execution of an Engineering Agreement with HDR Engineering, Inc. in the Amount of \$157,602.00 for Design of the Avondale Haslet Road Installation Project, Adopt Resolution Expressing Official Intent to Reimburse Expenditures and 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:

- 1. Authorize execution of an Engineering Agreement with HDR Engineering, Inc. in the amount of \$157,602.00 for the design of the Avondale Haslet Road Project’s 36-inch water main installation;
- 2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future debt for the design of the Avondale Haslet Road Project’s 36-inch water main installation; and
- 3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Avondale Haslet Road project (City Project No.101014) in the amount of \$228,346.00 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:

This Mayor and Council Communication (M&C) is to authorize the preparation of plans and specifications for the construction of the Avondale Haslet Road project’s 36-inch water main installation from Sendera Ranch Boulevard to 3,350 linear feet east to facilitate the reconstruction of Avondale Haslet Road to a four-lane divided roadway in accordance with the current Master Thoroughfare Plan (MTP).

The proposed scope of services include design for the transmission main and construction phase services. HDR Engineering, Inc. proposes to provide the necessary services for a fee not to exceed \$157,602.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount, \$70,744.00 is required for project management and material testing. 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 CIP plan throughout the Fiscal Year (FY), 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.

Funding for the Design of the Avondale Haslet Road project’s 36-inch Water Main Installation is depicted below:

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Capital Fund Name	Project Name	FY2024 CIP Appropriations	Authority	Budget Change (Increase/ Decrease)	Revised FY2024 Budget
56023 – W&S Commercial Paper Fund	101014-Avondale Haslet Road	\$0.00	This M&C	\$228,346.00	\$228,346.00

Funding will be budgeted in the W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Avondale Haslet Road project’s 36-inch water main installation after the sale of Water and Sewer Bonds.

Funding for the design of Avondale Haslet Road project’s 36-inch water main installation is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
2018 Bond Program Fund	\$3,434,404.00	\$0.00	\$3,434,404.00
W&S Commercial Paper Fund 56023	\$0.00	\$228,346.00	\$228,346.00
Project Total	\$3,434,404.00	\$228,346.00	\$3,662,750.00

*Numbers rounded for presentation purposes.

Business Equity: HDR Engineering, Inc., is in compliance with City's Business Equity Ordinance by committing to 16.13 percent MWBE participation on this project. The City's MWBE goal on this project is 13 percent.

The project is located in COUNCIL DISTRICT 10.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds will be available after the sale of the Water and Sewer Bonds in the 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 Avondale Haslet Road 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: Fernando Costa 6122

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Preeti KC 5467

Expedited