

# Mayor and Council Communication

DATE: 05/19/20

M&C FILE NUMBER: M&C 20-0346

LOG NAME: 60VCWRF GRIT REMOVAL-CRESCENTCDM

## SUBJECT

Authorize the Execution of Amendment No. 4 in the Amount of \$705,000.00 to an Engineering Agreement with CDM Smith, Inc. for the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station Project, Authorize Execution of a Contract with Crescent Constructors, Inc. in the Amount of \$25,797,000.00 for the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station Project and Provide for Project Costs, for a Project Total in the Amount of \$33,458,871.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinance (COUNCIL DISTRICT 5)

## RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of Amendment No. 4 to City Secretary Contract No. 49049, an Engineering Agreement with CDM Smith, Inc. in the amount of \$705,000.00, for construction support services for the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station project for a revised contract amount of \$3,348,652.00 (City Project No. 100075);
2. Authorize execution of a contract with Crescent Constructors, Inc., in the Amount of \$25,797,000.00, for the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station project;
3. Adopt the attached Resolution expressing Official Intent to Reimburse Expenditures with Proceeds from Future Debt for the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station project; and
4. Adopt the attached Appropriation Ordinance increasing receipts and appropriations in the Water and Sewer Commercial Paper (W&S Commercial Paper) Fund in the amount of \$27,422,151.00, from available funds, for the Village Creek Water Reclamation Facility Grit Facility & South Influent Pump Station.

## DISCUSSION:

The Village Creek Water Reclamation Facility (VCWRF), a 166 million gallons per day (MGD) plant, is comprised of primary, secondary and tertiary treatment, chlorine disinfection and dechlorination. The VCWRF produces anaerobically digested biosolids, which are further processed at the Biosolids Dewatering and Processing Facility. The abrasive grit in the plant influent flow is causing expensive maintenance problems. The VCWRF currently has a very limited grit removal process. This construction contract will add a new grit removal process at VCWRF.

On May 2, 2017, by Mayor and Council Communication (M&C) C-28213, the City Council authorized an engineering agreement with CDM Smith, Inc. (City Secretary Contract No. 49049), in the amount of \$1,570,965.00 to evaluate and design the grit removal process at the VCWRF. The agreement was subsequently revised by Amendment No. 1, authorized September 18, 2018 (M&C C-28857), in the amount of \$885,755.00 for the design of the South Influent Pump Station (PS), associated sewer, force main and ancillary improvement. Amendment No. 2, administratively authorized February 7, 2019 in the amount of \$71,993.00 for physical modeling to investigate the grit facility influent splitter box configuration and the tie-in to the Headworks facility, and Amendment No. 3, authorized April 7, 2020 (M&C 20-0159) in the amount of \$114,939.00 for physical modeling for the South Flow Pump Station, additional odor control design and Grit Influent Splitter Box water jet system modifications.

As part of Amendment No. 4, the Engineer will perform basic construction support phase services, including shop drawings and submittals reviews, change order review, record drawings and update plant operational preparation.

Construction of the project was advertised for bid on February 20, 2020 and February 27, 2020 in the [Fort Worth Star-Telegram](#). On April 2, 2020 the following bids were received:

Bidder	Base Bid	Contract Time
Crescent Constructors, Inc.	\$25,797,000.00	730 Calendar Days
Eagle Contracting LP	\$26,491,530.00	
Archer-Western Construction LLC	\$27,638,330.00	
BAR Contractors Inc.	\$28,413,730.00	
CSA Construction Inc.	\$35,840,000.00	

In addition to the contract cost, \$587,688.00 is required for project management and inspections, and \$332,463.00 is provided for project contingency.

Construction is anticipated to commence in July 2020 and be completed by December 2022. This project will have no impact on the Water Department's operating budget when complete.

Funding for the Village Creek Water Reclamation Facility Grit Facility & South Influent PS Project is depicted below:

<b>Fund</b>	<b>Existing Appropriations</b>	<b>Additional Appropriations</b>	<b>Project Total*</b>
Water & Sewer Bond 2017A Fund 56011	\$1,870,965.00	\$0.00	\$1,870,965.00
WS Capital Project 2019 Fund 56016	\$1,035,755.00	\$0.00	\$1,035,755.00
W&S Commercial Paper Fund 56017	\$130,000.00	\$27,422,151.00	\$27,552,151.00
<b>Project Total</b>	<b>\$3,036,720.00</b>	<b>\$27,422,151.00</b>	<b>\$30,458,871.00</b>

\*Numbers rounded for presentation.

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. To the extent resources other than the Water and Sewer portfolio are used to provide interim financing, the Water and Sewer Fund will be charged interest that is equivalent to the overall rate of return being earned by the City portfolio (currently approximately 2.3 percent annually). Should the City's portfolio not support the liquidity needed to provide an interim short-term financing source, another funding source will be required, which could mean issuance of securities under the CP Program or earlier issuance of Water and Sewer revenue bonds than is currently planned. 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.

The City Council approved the Water Department's Fiscal Year 2020-2024 Five-Year Capital Improvement Plan on September 17, 2019. This City Council approved plan includes this specific project, with funding identified through the CP program to be reimbursed with future revenue bonds. In accordance with the provisions of the Financial Management Policy Statements, Staff anticipates presenting revenue-supported debt issuances to the City Council for consideration within the next three years. This debt must be issued within approximately three years to provide reimbursement for these expenses. If that does not occur, the costs will no longer be reimbursable by issuing tax-exempt debt and the funding source will have to be made a whole through other budgetary methods. Adoption of this resolution does not obligate the City to sell bonds, but preserves the ability to reimburse the City from tax-exempt bond proceeds.

MWBE OFFICE: Crescent Constructors, Inc. is in compliance with City's BDE Ordinance by committing to six percent MBE participation and documenting good faith effort. Crescent Constructors, Inc. identified several subcontracting and supplier opportunities. However, the firms contacted in the areas identified did not respond or did not submit the lowest bids. The City's MBE goal on this project is 14 percent.

MWBE OFFICE: CDM Smith, Inc. is in compliance with the City's BDE Ordinance by committing to eight percent SBE participation on this Amendment No. 4. The SBE goal on this Amendment No. 4 is eight percent.

The project is located in COUNCIL DISTRICT 5, VCWRF serves all COUNCIL DISTRICTS, Mapsco 90J, 90Q, and 90S.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Water & Sewer Commercial Paper Fund (W&S Commercial Paper) Fund. 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

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