

# Mayor and Council Communication

**DATE:** 12/13/22

**M&C FILE NUMBER:** M&C 22-1046

**LOG NAME:** 60VCWRF DIGESTER MIXING-FLARE-DOME IMPROVP1- EAGLE&HAZENS

**SUBJECT**

(CD 5) Authorize Execution of a Contract with Eagle Contracting, LLC. in the Amount of \$39,773,000.00 for the Village Creek Water Reclamation Facility Digester Improvements Project, Authorize Execution of Amendment No. 2 in the Amount of \$1,047,260.00 to an Engineering Agreement with Hazen and Sawyer, Inc. for the Village Creek Water Reclamation Facility Digester Improvements Project, Provide for Total Project Costs in the Amount of \$44,180,804.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt and Adopt Appropriation Ordinances 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 a contract with Eagle Contracting, LLC. in the amount of \$39,773,000.00 for the Village Creek Water Reclamation Facility Digester Improvements project (City Project No. 102652);
2. Authorize execution of Amendment No. 2 in the amount of \$1,047,260.00 to an engineering agreement with Hazen and Sawyer, Inc. for construction assistance services for the Village Creek Water Reclamation Facility Digester Improvements project (City Project No. 102652) for a revised contract amount of \$3,304,146.00;
3. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for Village Creek Water Reclamation Facility Digester Improvements project;
4. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Village Creek Water Reclamation Facility Digester Improvements project (City Project No. 102652) in the amount of \$25,000,000.00 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 2023-2027 Capital Improvement Program; and
5. Adopt the attached appropriation ordinance increasing receipts and appropriations in the Water/Sewer Gas Lease Cap Proj Fund in the amount of \$16,763,858.00, from available funds, for the purpose of funding Village Creek Water Reclamation Facility Digester Improvements project (City Project No. 102652).

**DISCUSSION:**

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of a contract with Eagle Contracting, LLC. in the amount of \$39,773,000.00 for the Base Bid plus Alternates 1 and 2 for the Village Creek Water Reclamation Facility (VCWRF) Digester Improvements project (City Project No. 102652) and execution of Amendment No. 2 to City Secretary Contract No. 54683 in the amount of \$1,047,260.00, an engineering agreement with Hazen and Sawyer, Inc., for construction support services for VCWRF’s Digester Improvements project (City Project No. 102652) for a revised contract amount of \$3,304,146.00.

On September 22, 2020, M&C 20-0701, the City Council authorized an engineering agreement with Hazen and Sawyer, Inc., (City Secretary Contract No. 54683), in the amount of \$920,150.00 for the evaluation and design of improvements to the digester mixing systems, digester gas flares, and digester domes at the VCWRF. The agreement was subsequently revised by Amendment No. 1 in the amount of \$1,336,736.00, authorized on August 17, 2021, by M&C 21-0585, to design improvements to the digester gas treatment and conveyance, refurbishment of the turbine gas compressors and upgrades to supporting electrical systems. As part of Amendment No. 2, Hazen and Sawyer, Inc. will provide additional design services to break out a bid package for Phase 1 of construction and to provide construction assistance services that consist of technical assistance, site visits, and coordination among the four projects that will allow digester gas to be utilized as a supplemental fuel source for the new biosolids dryer at the VCWRF Biosolids Management and Beneficial Reuse Facility.

The project was advertised for bid on September 29 and October 6, 2022, in the *Fort Worth Star-Telegram*. On November 10, 2022, the following bids were received:

Bidder	Total Base Bid	Base Bid + Alternate 1	Base Bid + Alternates 1 & 2	Base Bid + Alternates 1, 2 & 3	Base Bid + Alternates 1, 2, 3 & 4	Contract Time
<b>Eagle Contracting, LLC</b>	\$36,925,000.00	\$38,850,000.00	<b>\$39,773,000.00</b>	\$39,919,000.00	\$40,358,000.00	<b>1,065 Calendar Days</b>
Thalle Construction Company, Inc.	\$52,146,430.00	\$54,744,300.00	\$55,589,300.00	\$55,599,300.00	\$55,715,000.00	

\*Staff recommends award of contract for Base Bid + Alternates 1&2, which consists of base bid, additional digester improvements (Alternate 1), and electrical transformers switchgear improvements (Alternate 2).

In addition to the contract cost, \$625,414.00 is required for project management and inspection, and \$318,184.00 is provided for project contingency.

This project will have no impact on the Water Department's operating budget when complete.

It is the practice of the Water Department to appropriate its 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 amend the City of Fort Worth's Fiscal Year 2023-2027 Capital Improvement Program as follows:

**60VCWRF DIGESTER MIXING-FLARE-DOME IMPROVP1- EAGLE&HAZENS**

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56021 - W&S Commercial Paper	102652 - Digester Improvements	\$0.00	This M&C	\$25,000,000.00	\$25,000,000.00
53004- Water/Sewer Gas Lease Cap Project	102652 - Digester Improvements	\$0.00	This M&C	\$16,763,858.00	\$16,763,858.00

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 the 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.

Funds are currently available in the Water/Sewer Gas Lease Cap Project Fund for the purpose of funding the VCWRF's Digester Improvements project.

Funding for the Digester Improvements project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Rev Bonds Series 2021 - Fund 56019	\$1,020,150.00	\$0.00	\$1,020,150.00
W&S Rev Bonds Series 2022 - Fund 56020	\$1,396,796.00	\$0.00	\$1,396,796.00
W&S Commercial Paper - Fund 56021	\$0.00	\$25,000,000.00	\$25,000,000.00
Water/Sewer Gas Lease Cap Proj – Fund 53004	\$0.00	\$16,763,858.00	\$16,763,858.00
<b>Project Total</b>	<b>\$2,416,946.00</b>	<b>\$41,763,858.00</b>	<b>\$44,180,804.00</b>

\*Numbers rounded for presentation purposes.

**Waiver of Building Permit Fee** - In accordance with the City Code of Ordinances, Part II, Chapter 7-1 Fort Worth Building Administrative Code, Section 109.2.1, Exception 2; "Work by non-City personnel on property under the control of the City of Fort Worth shall be exempt from the permit fees only if the work is for action under a contract that will be or has been approved by City Council with notes in the contract packages stating the fee is waived."

**Business Equity** – EAGLE - A waiver of the goal for Business Equity subcontracting requirements was requested, and approved by the DVIN, in accordance with the applicable Ordinance, because the purchase of goods or services is from sources where subcontracting or supplier opportunities are negligible.

**Business Equity** – Hazen Sawyer - Hazen and Sawyer, Inc. agrees to maintain its initial M/WBE commitment of 33 percent that it made on the original agreement and extend and maintain that same M/WBE commitment of 33 percent to all prior amendments up to and inclusive of this Amendment No. 2. Therefore Hazen and Sawyer, Inc. remains in compliance with the City's M/WBE 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 DISTRICT 5.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the W&S Commercial Paper project within the W&S Commercial Paper Fund and in the Unspecified-All Funds project within the Water/Sewer Gas Lease Cap Proj Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the W&S Commercial Paper Fund and the Water/Sewer Gas Lease Cap Proj Fund for the Digester Improvements project to support the approval of the above recommendations and execution of the contract and amendment to the agreement. 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:** Suzanne Abbe 8209

Expedited