

Mayor and Council Communication

DATE: 06/27/23

M&C FILE NUMBER: M&C 23-0544

LOG NAME: 60BRLSFMGM-FNI

SUBJECT

(CD 7) Authorize Execution of Engineering Agreement with Freese and Nichols, Inc., in the Amount of \$1,143,312.00 for Bonds Ranch Lift Station, Force Main, and Gravity Main, 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 2023- 2027 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of an Engineering Agreement with Freese and Nichols, Inc. in the amount of \$1,143,312.00 for the Bonds Ranch Lift Station, Force Main, and Gravity Main project;
2. Adopt the attached resolution expressing Official Intent to Reimburse expenditures with proceeds of future enterprise fund debt for the Bonds Ranch Lift Station, Force Main, and Gravity Main project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Bond Ranch Lift Station, Force Main, and Gravity Main project (City Project No. 104490) in the amount of \$2,074,075.00 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:

This Mayor and Council Communication (M&C) is to authorize the preparation of plans and specifications for the Bonds Ranch Lift Station, Force Main, and Gravity Main project.

Due to continued growth on the east side of Eagle Mountain Lake, it is necessary to prepare plans and specifications for the Bonds Ranch Lift Station, Force Main and Gravity Main

The proposed scope of work consists of an 11.5 million gallon lift station along with a force main along Morris Dido Newark Road (FM 1220) to a sewer gravity main. Two existing force mains, one serving the Eagle Mountain Elementary School and the other serving Live Oak Road will be connected to the proposed gravity sewer main.

Freese and Nichols, Inc. proposes to provide the necessary design services for the lift station, force main, and gravity main for a fee of \$1,143,312.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount, \$930,763.00 is required for project management, utility coordination, real property acquisition and material testing.

In April 2022, the Water Department, Capital Delivery Division, requested qualifications "RFQ" from interested and qualified engineering consulting firms (or other qualified firms) to perform engineering, design, permitting and professional services necessary for the Bonds Ranch Lift Station, Force Main and Gravity Main Project. Six consulting firms submitted Statements of Qualifications ("SOQ") in response to the City's RFQ. An evaluation team consisting of Water Department staff reviewed and scored the SOQ's based on specific qualifications of key personnel to be assigned to the project, specific technical capabilities of the firm related to the project, firm's prior experience on similar projects, identification and qualifications of sub-contractors to be utilized on the project and ability to fulfill the City's Business Equity goal on the project. After evaluating all the submitted SOQ's, Freese and Nichols, Inc. was selected as the most qualified consultant to provide design services for this project.

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 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:

Funding will be available after the sale of Water and Sewer bonds is completed in the UCMLPR project within the W&S Commercial Paper Fund for the Bonds Ranch LS(A)/FM/GM project.

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Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
Fund 56022 – W&S Commercial Paper	104490 – Bonds Ranch LS(A)/FM/GM	\$0.00	This M&C	\$2,074,075.00	\$2,074,075.00

Funding for the Bonds Ranch Lift Station, Force Main, and Gravity Main Project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
Fund 56022 - W&S Commercial Paper	\$0.00	\$2,074,075.00	\$2,074,075.00
Project Total	\$0.00	\$2,074,075.00	\$2,074,075.00

*Numbers rounded for presentation purposes.

Business Equity: Freese and Nichols, Inc. is in compliance with City's Business Equity Ordinance by committing to 29 percent MWBE participation on this project. The City's MWBE goal on this project is 12 percent.

The project is located in COUNCIL DISTRICT 7.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds will be available after the sale of Water and Sewer bonds is completed in the UCMLPR 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 Bonds Ranch LS(A)/FM/GM project to support the approval of the above recommendations and execution of the agreement. Prior to any expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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