

Mayor and Council Communication

DATE: 11/09/21

M&C FILE NUMBER: M&C 21-0878

LOG NAME: 20TRINITY BLVD PHASE 1 CONSTRUCTION

SUBJECT

(CD 5) Reject Bid of Texas Sterling Construction, Co.; Authorize Execution of a Construction Contract with S.J. Louis Construction of Texas, Ltd. in the Amount of \$22,010,616.02 for Street Reconstruction of Trinity Boulevard Phase 1 from Interstate Highway 820 to Salado Trail; Authorize Execution of a Developer Funding Agreement in the Amount of \$260,000.00; Adopt Attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt and Adopt Attached Appropriation Ordinances

RECOMMENDATION:

It is recommended that the City Council:

1. Reject the bid submitted by Texas Sterling Construction, Co.;
2. Authorize execution of a contract with S.J. Louis Construction of Texas, Ltd. in the amount of \$22,010,616.02 for Street Reconstruction of Trinity Boulevard Phase 1 from Interstate Highway 820 to Salado Trail;
3. Authorize execution of a Developer Funding Agreement in the amount of \$260,000.00 with Trinity Lakes Partners, LLC for relocation of overhead utilities and the installation of underground utilities along Trinity Boulevard from Interstate Highway 820 to Riverlakes Drive;
4. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Trinity Boulevard Phase I, from Interstate Highway 820 to Salado Trail project;
5. Adopt attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the Trinity Boulevard Phase I, from Interstate Highway 820 to Salado Trail project (City Project No. 102101) in the amount of \$5,725,458.00, and decreasing appropriations in the Unspecified project (City Project No. UNSPEC) by the same amount; and
6. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Developer Contribution Fund, in the amount of \$260,000.00, from available funds, for the purpose of funding the Trinity Boulevard Phase I, from Interstate Highway 820 to Salado Trail (City Project No. 102101).

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to, by authority of the City Charter, reject the bid of Texas Sterling Construction Co. and authorize execution of a contract with S.J. Louis Construction of Texas, Ltd. in the amount of \$22,010,616.02 for Street Reconstruction of Trinity Boulevard from Interstate Highway(IH) 820 to Salado Trail. Trinity Boulevard is a major corridor with proposed mixed use and commercial development which will provide access to the proposed Trinity Metro rail station. The project includes the reconstruction of the existing asphalt 4-lane road to concrete with curb and gutter, underground drainage, landscaped medians, street lights and shared use paths. This M&C will also authorize a developer funding agreement in the amount of \$260,000.00 with Trinity Lakes Partners, LLC for the relocation of overhead utilities and the installation of underground utilities along Trinity Boulevard from IH 820 to Riverlakes Drive. (M&C 21-0671) (City Project No. 102101)

On January 31, 2013, the Board of Tax Increment Reinvestment Zone Number Fourteen (Trinity Lakes TIF) adopted a project and financing plan for the Trinity Lakes TIF, which was approved by the City Council by Ordinance No. 20606-02-2013 and in accordance with Section 311.011 of the Texas Tax Code. Included in the project and financing plan were certain proposed infrastructure improvements to Trinity Boulevard intended to mitigate flooding, enhance walkability, and support the development of surrounding properties. (M&C 20-0939)

The following table demonstrates the funding history for the project

Fund	Existing Appropriations	Additional Appropriations	Project Total
General Capital Projects - Fund 30100	\$290,000.00	\$0.00	\$290,000.00
TIRZ – General Capital – Fund 30286	\$1,000,000.00	\$0.00	\$1,000,000.00
Trinity Lakes CO 2021 – Fund 34025	\$18,500,000.00	\$0.00	\$18,500,000.00
W&S Rev Bonds Series 2021 – Fund 56019	\$381,755.00	\$0.00	\$381,755.00
Water & Sewer Commercial Paper - Fund 56020	\$0.00	\$5,725,458.00	\$5,725,458.00
Developer Contribution - Fund 30104	\$0.00	\$260,000.00	\$260,000.00
Project Total	\$20,171,755.00	\$5,985,458.00	\$26,157,213.00

The project was advertised for bid on September 15, 2021 and September 23, 2021 in the *Fort Worth Star-Telegram*. On September 30, 2021, the following bids were received:

Bidders	Amount
Texas Sterling Construction, Co.	\$20,311,012.65
SJ Louis Construction of Texas, Ltd.	\$22,010,616.02
Mario Sinacola & Sons Excavating, Inc.	\$23,165,055.55
Ragle, Inc.	\$23,680,615.77
Brasfield & Gorrie, LLC	\$23,949,467.32

The Transportation & Public Works Department's share on this contract is \$16,947,512.80.

The Water Department's share on this contract is \$5,063,103.22. The funds will be available in the Water & Sewer Commercial Paper Fund for the project (City Project No. 102101).

In addition to the contract amount, \$2,281,098.00 (Water: \$510,461.00, Paving: \$1,770,637.00) is required for project management, material testing and inspection and \$661,128.00 (Water: \$151,893.00; Paving: \$509,235.00) is provided for project contingencies. This project will have no impact on the Transportation & Public Works' or on the Water Department's operating budgets when completed.

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 the 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.

Construction of Trinity Boulevard is anticipated to begin in Spring 2022. Funding for this project is being provided from Tax Increment Reinvestment Zone Number 14, Trinity Lakes TIF Program.

S.J. Louis Construction of Texas, Ltd has agreed to comply with the City's Business Equity Ordinance. The City's goal on this project is 22%.

The Project is located in COUNCIL DISTRICT 5.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Unspecified-All Funds project within the W&S Commercial Paper 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 Developer Contribution Fund for the Trinity Blvd. - 820-Salado Ph1 project to support the approval of the above recommendation and execution of the contract. Prior to an expenditure being incurred, Transportation & Public Works and Water Departments have the responsibility of verifying the availability of funds.

Submitted for City Manager's Office by: Dana Burghdoff 8018

Originating Business Unit Head: William Johnson 7801

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Expedited