

Mayor and Council Communication

DATE: 11/28/23

M&C FILE NUMBER: M&C 23-1026

LOG NAME: 60WSGEN&EMERPLAN GENP3-MCDONALD ELECTRIC

SUBJECT

(CD 9) Authorize Execution of a Contract with C.F. McDonald Electric, Inc. in the Amount of \$19,373,469.00 for Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants Project, Adopt Resolution Expressing Official Intent to Reimburse Expenditures and Proceeds of Future Debt Project and Adopt Appropriation Ordinances to Effect a Portion of Water’s Contribution to the Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a contract with C.F. McDonald Electric, Inc. in the amount of \$19,373,469.00 for the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants, Part 3 project (City Project No. 103410);
2. Adopt the attached resolution expressing Official Intent to Reimburse expenditures with proceeds of future enterprise fund debt for the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants project;
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants project (City Project No. 103410) in the amount of \$15,126,762.00 and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount; and
4. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Gas Lease Capital Project Fund in the amount of \$4,850,000.00, from available funds, for the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants project (City Project No. 103410), to effect a portion of Water’s contribution to the Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

The February 2021 Deep Freeze caused power failures to Eagle Mountain Water Treatment Plant (EMWTP), the Westside Water Treatment Plant (WSWTP) and affected the North and South Holly Water Treatment Plants, along with power supply and freezing issues at some pump stations. In response to the power outages, the Water Department implemented a series of projects to minimize the effects of future power failures and/or freezing temperatures on Water Facilities. In addition, during the 2021 legislative session, the State of Texas enacted a law, Senate Bill 3 (SB3), requiring the submittal of an Emergency Preparedness Plan by March 1, 2022.

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of a contract with C.F. McDonald Electric, Inc. in the amount of \$19,373,469.00 for the Westside Water Treatment Plant Generators and Emergency Preparation Plan for Power Generation at the North and South Holly Water Treatment Plants project (City Project No. 103410). This project, Part 3, provides for the installation of emergency back-up power consisting of generators and electrical switchgear at the North and South Holly Water Treatment Plants.

The project was advertised for bid on July 27 and August 3, 2023, in the *Fort Worth Star-Telegram*. On October 19, 2023, the following bids were received:

Bidder	Total Alternate Bid A*	Total Alternate Bid B	Contract Time
C.F McDonald Electric, Inc.	\$19,373,469.00	\$19,373,469.00	1,090 Calendar Days
Alterman Group, Inc.	\$20,460,844.00	\$20,294,744.00	
Facility Solutions Group	\$21,432,480.00	\$21,342,480.00	
ACME Electric Company	\$24,523,067.79	\$24,523,067.79	

*Staff recommends award of contract for Total Alternate Bid A which includes all project components in one cost.

In addition to the contract cost, \$312,691.00 is required for project management and inspection and \$290,602.00 is provided for project contingency.

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 amend the City of Fort Worth's Fiscal Year 2024-2028 Capital Improvement Program as follows:

60WSGEN&EMERPLAN GENP3-MCDONALD ELECTRIC

Capital Fund Name	Project Name	FY2024 CIP Appropriations	Authority	Budget Change (Increase / Decrease)	Revised FY2024 Budget
Fund 56022- W&S Commercial Paper	103410 – WS Gen & Emer Prep Plan	\$0.00	This M&C	\$15,126,762.00	\$15,126,762.00
Fund 53004 – Water/Sewer Gas Lease Cap Proj	103410 – WS Gen & Emer Prep Plan	\$0.00	This M&C	\$4,850,000.00	\$4,850,000.00

Funding is budgeted in the W&S Commercial Paper project within the W&S Commercial Paper Fund and currently available in the Unspecified – Gas Lease Rev and Unspecified – All Funds projects within the Water/Sewer Gas Lease Cap Project Fund for the purpose of funding the WS Gen & Emer Prep Plan Project.

Funding for the project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Fund 56022 – W&S Commercial Paper	\$0.00	\$15,126,762.00	\$15,126,762.00
Fund 53004 – Water/Sewer Gas Lease Cap Proj	\$0.00	\$4,850,000.00	\$4,850,000.00
W&S Capital Project Fund 56002	\$12,814,614.00	\$0.00	\$12,814,614.00
W&S Rev Bonds Series 2022 - Fund 56020	\$3,792,978.00	\$0.00	\$3,792,978.00
W&S Rev Bonds Series 2023 - Fund 56021	\$25,949,327.00	\$0.00	\$25,949,327.00
Project Total	\$42,556,919.00	\$19,976,762.00	\$62,533,681.00

*Numbers rounded for presentation purposes.

Business Equity: C.F. McDonald Electric, Inc. is in compliance with City's Business Equity Ordinance by committing to five percent MWBE participation on this project. The City's MWBE goal on this project is five percent.

The project is located in COUNCIL DISTRICT 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the W&S Commercial Paper project within the W&S Commercial Paper Fund and in the Unspecified – Gas Lease Rev and Unspecified – All Funds projects within the Water/Sewer Gas Lease Cap Project 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 Project Fund for the WS Gen & Emer Prep Plan project to support 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.

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

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: David Townsend 8430