

Mayor and Council Communication

DATE: 09/22/20

M&C FILE NUMBER: M&C 20-0699

LOG NAME: 60VCWRF PII ELECTRICAL – GUPTA AND WINSTONELEC

SUBJECT

(CD 5) Authorize Execution of Amendment No. 1 in the Amount of \$235,325.00 to an Engineering Agreement with Gupta and Associates, Inc. for Village Creek Water Reclamation Facility Phase II Electrical Improvements, Authorize Execution of a Contract with Winston Electric Inc. dba ACME Electric in the Amount of \$8,647,846.00 for Village Creek Water Reclamation Facility Phase II Electrical Improvements, Provide for Project Costs for a Project Total Amount of \$9,780,894.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of Amendment No. 1 to City Secretary Contract No. 52516, an engineering agreement with Gupta and Associates, Inc., in the amount of \$235,325.00 for construction support services for the Village Creek Water Reclamation Facility Phase II Electrical Improvements project for a revised contract amount of \$977,102.00;
2. Authorize execution of a contract with Winston Electric Inc. dba ACME Electric in the amount of \$8,647,846.00 for the Village Creek Reclamation Facility Phase II Electrical Improvements;
3. Adopt the attached Resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Village Creek Reclamation Facility Phase II Electrical Improvements; and
4. Adopt the attached Appropriation Ordinance adjusting appropriations in the Water and Sewer Commercial Paper fund by increasing appropriations in the amount of \$9,545,569.00 for the Village Creek Reclamation Facility Phase II Electrical Improvements project (City Project No. C02648) and decreasing appropriations in the Unspecified Project (City Project No. UNSPEC) by the same amount.

DISCUSSION:

The City of Fort Worth owns and operates the Village Creek Water Reclamation Facility (VCWRF), a 166 million gallons per day (MGD) plant, comprised of primary, secondary and tertiary treatment, anaerobic digestion, chlorine disinfection and de-chlorination.

The VCWRF was originally constructed in the 1950's as a 5 million gallon per day (MGD) plant and expanded in incremental steps over time to its present rating of 166 MGD. Electrical equipment and components have been installed over many years as the plant has expanded, with some equipment close to 40 years in age.

On June 25, 2019 (M&C C-29185), the City Council authorized an engineering agreement with Gupta and Associates, Inc. (City Secretary Contract No. 52516), in the amount of \$741,777.00, for the design of Phase II Electrical Improvements at VCWRF.

As part of Amendment No. 1, the engineer will perform basic construction support 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 June 18 and 25, 2020 in the *Fort Worth Star Telegram*. On July 30, 2020 the following bids were received:

Bidder	Base Bid + Alternates A1 and A2	Contract Time
Clark Electric, Inc.*	\$6,448,267.00	
Winston Electric Inc. dba ACME Electric**	\$8,647,846.00	655 Calendar Days
Facility Solutions Group, Inc.	\$9,200,600.00	

*Clark Electric, Inc. was determined to be non-responsive to the contract documents due to failure to comply with the contract specifications.

**Staff recommends award of contract to Winston Electric, Inc. dba ACME Electric.

In addition to the contract cost, \$446,202.00 is required for project management and inspection and \$216,196.00 is provided for project contingency.

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

Funding for VCWRF Phase II Electrical Improvements is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Water & Sewer Bonds 2016 - Fund 56005	\$612,800.00	\$0.00	\$612,800.00
W&S Capital Project 2018 - Fund 56014	\$11,475,000.00	\$0.00	\$11,475,000.00
WS Capital Project 2019 - Fund 56016	\$941,777.00	\$0.00	\$941,777.00
W&S Commercial Paper - Fund 56019	\$0.00	\$9,545,569.00	\$9,545,569.00
Project Total	\$13,029,577.00	\$9,545,569.00	\$22,575,146.00

*Numbers rounded for presentation purposes.

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 & 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 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.

M/WBE OFFICE: Winston Electric Inc. dba ACME Electrical Contractors is in compliance with the City's BDE Ordinance by committing to five percent MBE participation on this project. The City's MBE goal on this project is five percent.

M/WBE OFFICE: Gupta & Associates, Inc. is in compliance with the City's BDE Ordinance by committing to 21 percent SBE participation on this amendment. The City's SBE goal on this Amendment No. 1 is 20 percent. Additionally, Gupta & Associates, Inc. is a certified M/WBE firm.

The project is located in COUNCIL DISTRICT 5 and serves all COUNCIL DISTRICTS.

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 W&S Commercial Paper fund for the VCWRF Phase II Electrical Improvements project. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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