

# Mayor and Council Communication

DATE: 02/28/23

M&C FILE NUMBER: M&C 23-0184

LOG NAME: 60WESTSIDE III WATERMAINP1- THALLE KHA

## SUBJECT

(CD 3 / Future CD 3) Authorize Execution of a Contract with Thalle Construction Company, Inc. in the Amount of \$19,873,823.75 for Westside Treatment Plant III 30" Water Transmission Main Project, Authorize Execution of Amendment No. 1 in the Amount of \$303,590.00 to an Engineering Agreement with Kimley-Horn Associates, Inc., for Westside Treatment Plant III 30" Water Transmission Main Project, Provide for Total Project Costs in the Amount of \$21,125,743.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with 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 a contract with Thalle Construction Company, Inc. in the amount of \$19,873,823.75 for the Westside Treatment Plant III 30" Water Transmission Main project (City Project No. 102688);
2. Authorize execution of Amendment No. 1 to City Secretary Contract No. 54767 in the amount of \$303,590.00, an Engineering Agreement with Kimley-Horn Associates, Inc., for construction support services for Westside Treatment Plant III 30" Water Transmission Main project (City Project No. 102688) for a revised contract amount of \$1,432,870.00;
3. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Westside Treatment Plant III 30" Water Transmission Main project; and
4. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Westside Treatment Plant III 30" Water Transmission Main project (City Project No. 102688) in the amount of \$21,125,743.00 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:

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of a contract with Thalle Construction Company, Inc. in the amount of \$19,873,823.75 for the Westside Treatment Plant III 30" Water Transmission Mainproject (City Project No. 102688) and the execution of Amendment No. 1 to City Secretary Contract No. 54767 in the amount of \$303,590.00, an Engineering Agreement with Kimley-Horn Associates, Inc., for construction support services for Westside Treatment Plant III 30" Water Transmission Main project (City Project No. 102688) for a revised contract amount of \$1,432,870.00.

On October 20, 2020, M&C 20-0773, the City Council authorized an engineering agreement with Kimley-Horn Associates, Inc., (City Secretary Contract No. 54767), in the amount of \$1,129,280.00 to prepare plans and specifications for the construction of Westside Treatment Plant III 30" Water Transmission Mainproject. As part of Amendment No. 1, the Engineer will provide construction phase services, additional pipeline design, additional survey services, surge analysis for the Westside III water transmission mains and dividing the project into two parts to accelerate completion of the project.

The funding for this M&C is contingent upon an M&C being submitted by Financial Management Services on the 02/14/2023 council agenda. That M&C will increase the Water Department's authorized Callable Commercial Paper Program from \$150,000,000.00 to \$225,000,000.00.

The project was advertised for bid on November 10 and 17, 2022, in the *Fort Worth Star-Telegram*. On December 15, 2022, the following bids were received:

Bidders	Total Bid	Contract Time
<b>Thalle Construction Company, Inc.</b>	<b>\$19,873,823.75</b>	<b>550 Calendar Days</b>
Reyes Group, Ltd.	\$20,999,999.00	
McKee Utility Contractors, Inc.	\$23,475,000.00	
Mountain Cascade of Texas, LLC	\$23,645,987.00	
S.J. Louis Construction of Texas, Ltd.	\$25,935,531.70	

In addition to the contract cost, \$600,537.25 is required for project management and inspection and \$347,792.00 is provided for project contingency. M&C 20-0773 authorized \$1,715,825.00 for project management, real property acquisitions, and utility coordination in relation to Kimley-Horn and Associates, Inc.'s original engineering contract.

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

Funding is budgeted in the W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Westside Treatment Plant III 30" Water Transmission Main 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 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, the 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 2023-2027 Capital Improvement Program as follows:

**60WESTSIDE III WATERMAINP1- THALLE & KHA**

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56021- W&S Commercial Paper	102688 – WS Treatment Plant III 30" WTM	\$0.00	This M&C	\$21,125,743.00	\$21,125,743.00

Funding for the WS Treatment Plant III 30" WTM project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper -Fund 56021	\$0.00	\$21,125,743.00	\$21,125,743.00
W&S Rev Bonds Series 2021 - Fund 56019	\$2,845,105.00	\$0.00	\$2,845,105.00
<b>Project Total</b>	<b>\$2,845,105.00</b>	<b>\$21,125,743.00</b>	<b>\$23,970,848.00</b>

\*Numbers rounded for presentation purposes.

**Business Equity:** Thalle Construction Company, Inc. is in compliance with City's Business Equity Ordinance by committing to 10% Business Equity participation on this project. The City's Business Equity goal on this project is 10%.

**Business Equity:** Kimley-Horn and Associates, Inc. is in compliance with the City's BDE Ordinance by committing to 5% SBE participation on this project. The City's SBE goal on this project is 5%.

The project is located in COUNCIL DISTRICT 3/ FUTURE CD 3.

**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 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 WS Treatment Plant III 30" WTM project to support the approval of the above recommendations and execution of the amendment to the engineering contract and the construction contract. 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:** Walter P Norwood 5026

