

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 11/12/24M&C FILE NUMBER: M&C 24-1003

LOG NAME: 60SWM FWCC GRAND AVE CONSTRUCTIONCO3WATER-SJL

SUBJECT

(CD 2) Authorize Execution of Change Order No. 3 in the Amount \$253,192.00 to a Contract with S.J. Louis Construction of Texas, LTD, for the Trinity River Vision, Phase 1 Project, 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 2025-2029 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

- 1. Authorize execution of Change Order No. 3 in the amount of \$253,192.00 to City Secretary No. 59320, a contract with S.J. Louis Construction of Texas, LTD, for the Trinity River Vision, Phase 1 project for sanitary sewer improvements projects on N. Commerce, N. Calhoun, & N.E. 10th streets for a revised contract amount of \$23,003,276.50;
- 2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt and/or annual payments from the Tarrant Regional Water District for the Fort Worth Central City Water & Sewer Relocations project; and
- 3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Trinity River Vision Phase 1 project (City Project No. C00969) in the amount of \$253,192.00, and decreasing appropriations in the Commercial Paper Fund (City Project No. UCMLPR) by the same amount to effect a portion of Water’s contribution to the Fiscal Years 2025-2029 Capital Improvement Program.

DISCUSSION:

On April 25th, 2023 by Mayor and Council Communication (M&C) 23-0321, the City Council authorized a construction contract with S.J. Louis Construction of Texas, LTD in the amount of \$22,750,084.50 for Fort Worth Central City Grand Avenue Phase 2 Part 2 and Fort Worth Central City Grand Avenue Phase 2 Part 3 & Trinity River Vision, Phase 1. The contract was subsequently revised by Change Order No. 1 with a net total amount of \$0.00 administratively authorized on April 5, 2024 that provided for swapping out a discontinued manufactured stormceptor model that was called for at the time of bid opening with a newer model and Change Order No. 2 with a net total of \$0.00 administratively authorized September 3, 2024 that provided an additional 150 calendar days on the project for multiple revisions to the USACE package submittal which delayed the construction start time of the project.

Change Order No. 3 in the amount of \$253,192.00 (Water \$206,792.00, Sewer \$46,400.00) will provide pay items quantities for the following that are necessary on the project: The relocation of an existing 6-inch water main on Calhoun Street that was found in direct conflict with a project storm drain box culvert, and other than open cut installation to install a 40 foot segment of a 12-inch project sewer main across an AT&T Manhole.

This project is anticipated to be repaid from a series of annual reimbursements from the Tarrant Regional Water District (TRWD) as part of the Fort Worth Central City Water & Sewer Relocations project. In the event any bond-eligible costs are not fully reimbursed by TRWD, those costs would be 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 payment is received from TRWD and/or debt associated with the unreimbursed portions of this project is sold, those funds 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 2025-2029 Capital Improvement Program.

Appropriations for the Trinity River Vision Phase 1 project is depicted below:

Capital Fund Name	Project Name	FY2025 CIP Appropriations	Authority	Budget Change (Inc/Dec) 60WATER FY2023 AND FW2024 FWCC REIMB	Budget Change (Inc/Dec) 60WSSRFWCC S1910CO1-CIRCLE C	Budget Change (Inc/Dec) 60SWM FWCC GRAND AVE CONSTRUCTIONCO2WATER-SJL	Revised FY2025 Budget
56002 - Water & Sewer Capital Projects Fund	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #3	\$8,466,851.96	\$0.00	\$0.00	\$8,466,851.96
		\$0.00	M&C 60 WSSRFWCCS1P10CO1-	\$0.00	(\$22,629.00)	\$0.00	(\$22,629.00)

			CIRCLE C				
56005 – Water/Sewer Bond 2016	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #5	(\$880,824.03)	\$0.00	\$0.00	(\$880,824.03)
		\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #5	(\$3,865,117.59)	\$0.00	\$0.00	(\$3,865,117.59)
		\$0.00	M&C 60 WSSRFWCCS1P10CO1-CIRCLE C	\$0.00	(\$245,930.86)	\$0.00	(\$245,930.86)
56007 – Water & Sewer Bond 2015A	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #6	(\$2,249,571.96)	\$0.00	\$0.00	(\$2,249,571.96)
		\$0.00	M&C 60 WSSRFWCCS1P10CO1-CIRCLE C	\$0.00	(\$1,083,136.00)	\$0.00	(\$1,083,136.00)
56019 - W&S Rev Bonds Series 2021		\$0.00	M&C 60 WSSRFWCCS1P10CO1-CIRCLE C	\$0.00	(\$443,312.00)	\$0.00	(\$443,312.00)
56020-W&S Rev Bonds Series 2022		\$0.00	M&C 60 WSSRFWCCS1P10CO1-CIRCLE C	\$0.00	(\$407,022.00)	\$0.00	(\$407,022.00)
56023 – Commercial Paper	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #4	(\$777,632.61)	\$0.00	\$0.00	(\$777,632.61)
		\$0.00	M&C 60 WSSRFWCCS1P10CO1-CIRCLE C	\$0.00	\$2,698,901.65	\$0.00	\$2,698,901.65
		\$0.00	60SWM FWCC GRAND AVE CONSTRUCTIONCO2WATER-SJL	\$0.00	\$0.00	\$253,192.00	\$253,192.00
59601 – Water Capital	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #7	(\$7,750.00)	\$0.00	\$0.00	(\$7,750.00)
59607 – Sewer Capital Legacy	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #8	(\$37,274.00)	\$0.00	\$0.00	(\$37,274.00)
		\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #8	(\$571,599.21)	\$0.00	\$0.00	(\$571,599.21)
		\$0.00	M&C 60 WSSRFWCCS1P10CO1-CIRCLE C	\$0.00	(\$31,608.79)	\$0.00	(\$31,608.79)
				\$77,082.56	\$465,263.00	\$253,192.00	\$795,537.56

Funding for the Trinity River Vision, Phase 1 project is depicted below:

	Current Funding	60WATER FY2023 AND FY2024 FWCC REIMB	60WSSRFWCC S1P10CO1-CIRCLEC	60SWM FWCC GRAND AVE CONSTRUCTION CO2WATER-SJL	Total Funding
56002 W&S Capital	\$2,457,887.00	\$8,466,851.96	\$(22,629.00)	\$0.00	\$10,902,109.96

Projects					
56005 Water/Sewer Bond 2016	\$6,855,400.00	\$(4,745,941.62)	\$(245,930.86)	\$0.00	\$1,863,527.52
56007 Water & Sewer Bond 2015A	\$6,167,422.45	\$(2,249,571.96)	\$(1,083,136.00)	\$0.00	\$2,834,714.49
56019 W&S Rev Bonds Series 2021	\$443,312.00	\$0.00	\$(443,312.00)	\$0.00	\$0.00
56020 W&S Rev Bonds Series 2022	\$407,022.00	\$0.00	\$(407,022.00)	\$0.00	\$0.00
56023 W&S Commercial Paper	\$1,518,400.00	\$(777,632.61)	\$2,698,901.65	\$253,192.00	\$3,692,861.04
39007 Specially Funded Projects	\$5,852,657.94	\$0.00	\$0.00	\$0.00	\$5,852,657.94
59601 Water Capital	\$14,404,708.40	\$(7,750.00)	\$0.00	\$0.00	\$14,396,958.40
59607 Sewer Capital Legacy	\$7,769,673.12	\$(608,873.21)	\$(31,608.79)	\$0.00	\$7,129,191.12
	\$45,876,482.91	\$77,082.56	\$465,263.00	\$253,192.00	\$46,672,020.47

A portion of the water line in the amount of \$206,792.00 of this Change Order is considered Trinity River Visions (TRV)-relocated work. The sanitary sewer \$46,400.00 amount of this Change Order is considered (TRV)-relocated work, are eligible for funding from Tax Increment Reinvestment Zone No. 9 (TRVA TIF) pursuant to the TRVA Project Plan. Having met its \$26.6 million commitment to the TRV Project, the City will be reimbursed the water line amount of \$206,792.00 and the sanitary sewer amount of \$46,400.00 by Tarrant Regional Water District (TRWD) on an annual basis, in accordance with provisions of the executed Interlocal Agreement between the City and the TRWD (City Secretary Contract No. 43425 as amended). The TRV Program Manager in the FW Lab Department will be responsible for collecting the full reimbursement from TRWD at the end of each Fiscal Year.

Business Equity – S.J. Louis Construction of Texas, LTD agrees to maintain its initial M/WBE commitment of 14 percent that it made on the original contract and extend and maintain that same M/WBE commitment of 14 percent to all prior change orders up to and inclusive of this Change Order No. 3. Therefore S.J. Louis Construction of Texas, LTD remains in compliance with the City's M/WBE Ordinance and attests to its commitment by signature on the Acceptance of Previous M/WBE Commitment form executed by an authorized representative of its company.

This project is located in COUNCIL DISTRICT 2.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the 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 Trinity River Vision, Phase 1, project to support the approval of the above recommendations and execution of the change order. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: William Johnson 5806

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Liam Conlon 6824