

Mayor and Council Communication

DATE: 08/23/22

M&C FILE NUMBER: M&C 22-0652

LOG NAME: 60SSIIWTMAS-KHA

SUBJECT

(CD 6 and CD 8) Authorize Execution of an Engineering Agreement with Kimley- Horn and Associates, Inc. in the Amount of \$2,348,401.00 for Design of the Southside II Water Main Alignment Study Project, Provide for Project Costs for a Total Project Amount of \$3,615,089.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures and Proceeds of Future Debt and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2022- 2026 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of an Engineering Agreement with Kimley- Horn and Associates, Inc., in the amount of \$2,348,401.00 for the Southside II Water Main Alignment Study project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future debt for the Southside II Water Main Alignment Study project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Southside II Water Main Alignment Study project (City Project No. 103649) in the amount of \$3,615,089.00 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 2022-2026 Capital Improvement Program.

DISCUSSION:

This Mayor and Council Communication (M&C) is to authorize engineering services for the Southside II Water Transmission Main Alignment Study project. The proposed 48-inch water transmission main that will extend from the existing 54-inch water main in Oak Grove Shelby Road to Alsbury Boulevard. The proposed water transmission main will provide increased reliability for increasing and future growth in the far South area of Fort Worth as well as the customer cites of Burleson and Crowley along with Bethesda Water Supply Corporation.

The scope of services to be provided consists of an alignment study, hydraulic analysis, the preparation of 60% design plans and specification for the selected alignment, design survey, geotechnical investigations, title survey, easement document preparation, coordination with various agencies, and permit applications.

Kimley- Horn and Associates, Inc., proposes to provide the necessary services for a fee not to exceed \$2,348,401.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount, \$1,266,688.00 is required for real property acquisitions, project management and material testing.

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 2022-2026 Capital Improvement Program, as follows:

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Capital Fund Name	Project Name	FY2022 CIP Appropriations	Authority	Budget Change (Increase/ Decrease)	Revised FY2022 Budget
56021 – W&S Commercial Paper Fund	103649 - SS II W MAIN Align Study	\$0.00	This M&C	\$3,615,089.00	\$3,615,089.00

Funding for the Southside II Water Transmission Main Alignment Study Project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper– Fund	\$0.00	\$3,615,089.00	\$3,615,089.00

56021			
Project Total	\$0.00	\$3,615,089.00	\$3,615,089.00

*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. 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 to reimburse itself from tax-exempt bond proceeds.

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

Business Equity: Kimley- Horn and Associates, Inc., is in compliance with City's Business Equity Ordinance by committing to 16 percent Business Equity participation. The City's Business Equity goal on this project is five percent.

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 SS II W Main Align Study project to support the approval of the above recommendations and execution of the contract. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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