

Mayor and Council Communication

DATE: 03/21/23

M&C FILE NUMBER: M&C 23-0197

LOG NAME: 60VCWRF DIGESTER MIXING-FLARE-DOME IMPROVEMENTS CA-FNI

SUBJECT

(CD 5 / Future CD 5) Authorize Execution of a Professional Services Agreement in the Amount of \$821,636.00 with Freese and Nichols, Inc. for Construction Management Services for the Village Creek Water Reclamation Facility Digester Improvements Project 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 professional services agreement in the amount of \$821,636.00 with Freese and Nichols, Inc. for construction administration services for the Village Creek Water Reclamation Facility Digester Improvements project (City Project No. 102652); and
2. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the W&S Revenue Bonds Series 2022 Fund by increasing estimated receipts and appropriations in the Village Creek Water Reclamation Facility Digester Improvements project (City Project No. 102652) in the amount of \$821,636.00 and decreasing estimated receipts and appropriations in the Unspecified - All Funds project (City Project No. UNSPEC) 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 a professional services agreement with Freese and Nichols, Inc. in the amount of \$821,636.00 to provide construction management services which will include resident engineering and construction inspection for the Village Creek Water Reclamation Facility (VCWRF) Digester Improvements project (City Project No.102652).

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 2023-2027 Capital Improvement Program, as follows:

60VCWRF DIGESTER MIXING-FLARE-DOME IMPROVEMENTS CA-FNI:

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56020 - W&S Rev Bonds Series 2022	102652 - Digester Improvements	\$0.00	This M&C	\$821,636.00	\$821,636.00

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, 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.

Funding for the improvements project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Rev Bonds Series 2021 - Fund 56019	\$1,020,150.00	\$0.00	\$1,020,150.00
W&S Rev Bonds Series 2022 - Fund 56020	\$1,396,796.00	\$821,636.00	\$2,218,432.00

W&S Commercial Paper - Fund 56021	\$25,000,000.00	\$0.00	\$25,000,000.00
Water/Sewer Gas Lease Cap Proj – Fund 53004	\$16,763,858.00	\$0.00	\$16,763,858.00
Project Total	\$44,180,804.00	\$821,636.00	\$45,002,440.00

*Numbers rounded for presentation purposes.

Funding is available for appropriation in the Unspecified-All Funds project within the W&S Rev Bonds Series 2022 Fund for the purpose of funding the Digester Improvements project.

Business Equity – Freese and Nichols, Inc. is in compliance with the City's Business Equity Ordinance by committing to 5% Business Equity participation on this project. The City's Business Equity goal on this project is 5%.

The project is located in COUNCIL DISTRICT 5 / Future COUNCIL DISTRICT 5.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Unspecified – All Funds project within the W&S Rev Bonds Series 2022 Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the W&S Rev Bonds Series 2022 Fund for the Digester Improvements 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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