

Mayor and Council Communication

DATE: 02/14/23

M&C FILE NUMBER: M&C 23-0129

LOG NAME: 60WCREEKSSEPI-SJLOUIS

SUBJECT

(CD 3 / Future CD 3) Authorize Execution of a Contract with S.J. Louis Construction of Texas, Ltd. in the Amount of \$10,424,212.97 for Phase 1 of the Walnut Creek Sanitary Sewer Extension, 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 S.J. Louis Construction of Texas, Ltd. in the amount of \$10,424,212.97 for phase 1 of the Walnut Creek Sanitary Sewer Extension project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for phase 1 of the Walnut Creek Sanitary Sewer Extension project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Walnut Creek Sanitary Sewer Extension project (City Project No.103414) in the amount of \$11,169,635.00 and decreasing appropriations in the W&S Commercial Paper Fund 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:

This Mayor and Council Communication (M&C) is to authorize a construction contract with S.J. Louis Construction of Texas, Ltd. and appropriate funding for phase 1 of the Walnut Creek Sanitary Sewer Extension, from Chapin School Road to Markum Ranch Road.

The project was advertised for bid on October 27, 2022 and November 3, 2022 in the *Fort Worth Star-Telegram*. On December 1, 2022 the following bids were received:

Bidder	Bid Amount	Calendar Days
S.J. Louis Construction of Texas, Ltd.	\$10,684,818.00	360 Calendar Days
McKee Utility Constructors, Inc.	\$13,951,068.00	

In addition to the contract cost, \$484,817.00 is required for project management and inspection and \$260,605.00 is provided for project contingency.

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

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:

60WCREEKSSEPI-SJLOUIS

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56021 - W&S Commercial Paper	103414 – Walnut Creek Sanitary Sewer Extension	\$0.00	This M&C	\$11,169,635.00	\$11,169,635.00

Funding is currently available in the W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Walnut Creek Sanitary Sewer Extension.

Funding for the Walnut Creek Sanitary Sewer Extension project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Rev Bonds Series 2022 - Fund 56020	\$2,154,511.00	\$0.00	\$2,154,511.00
W&S Commercial Paper Fund 56021	\$0.00	\$11,169,635.00	\$11,169,635.00
Project Total	\$2,154,511.00	\$11,169,635.00	\$13,324,146.00

*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. 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.

Business Equity - S.J. Louis Construction of Texas, Ltd. is in compliance with City's Business Equity Ordinance by committing to 17 percent Business Equity participation on this project. The City's Business Equity goal on this project is 17 percent.

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

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the W&S Commercial Paper UCMLPR 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 Walnut Creek SS Extension project to support the execution of 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

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Expedited