

Mayor and Council Communication

DATE: 09/17/24

M&C FILE NUMBER: M&C 24-0844

LOG NAME: 60LARFMP1AND2-BELTANDFNI

SUBJECT

(CD 5 and City of Kennedale) Authorize Execution of a Contract with Belt Construction of Texas, LLC in the Amount of \$59,657,497.33 for Lake Arlington Lift Station, Force Main, and Sanitary Sewer Mains Project. Authorize Execution of Amendment No. 6, in the Amount of \$1,511,941.00, to an Engineering Agreement with Freese & Nichols, Inc. for the Lake Arlington Lift Station, Force Main and Sanitary Sewer Mains Project Parts 1 and 2. Provide for Project Costs for a Project Total in the Amount of \$63,066,715.00, 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 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a contract with Belt Construction of Texas, LLC in the amount of \$59,657,497.33 for the Lake Arlington Lift Station, Force Main, and Sanitary Sewer Mains Project Parts 1 and 2;
2. Authorize execution of Amendment No. 6 to City Secretary Contract No. 50312, an Engineering Agreement with Freese & Nichols, Inc., in the amount of \$1,511,941.00 for construction support services for the Lake Arlington Lift Station Force Main, and Sanitary Sewer Mains project for a revised contract amount of \$6,134,322.00 (City Project No. 100995);
3. Adopt the attached Resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Lake Arlington Lift Station, Force Main, and Sanitary Sewer Mains project; and
4. Adopt the attached Appropriation Ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in Lake Arlington Lift Station, Force Main, and Sanitary Sewer Mains project (City Project No. 100995) in the amount of \$63,066,715.00 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 2024-2028 Capital Improvement Program.

DISCUSSION:

On January 30, 2018, Mayor and Council Communication (M&C) C-28566 authorized an engineering agreement with Freese and Nichols, Inc., (City Secretary Contract No. 50312) in the amount of \$3,099,361.00 for the preparation of plans and specifications for the Lake Arlington Lift Station and Force Main project. The agreement was subsequently revised by Amendment No. 1 in the amount of \$229,755.00 (M&C C-29067, March 19, 2019) that provided for the design of 1,000 linear foot aerial crossing of the force main across Lake Arlington and additional geotechnical investigations at 8 locations along the force main; Amendment No. 2 in the amount of \$366,004.00 (M&C C-29178, June 25, 2019) that provided for the preparation of plans and specifications for additional tunneling design, archeological survey, additional survey along Quail Road, lead testing along lift station access road and design for erosion improvements on Village Creek Tributary near Salt Road; Amendment No. 3 in the amount of \$211,344.00 (M&C 20-0137, March 3, 2020) that provided for preparation of additional temporary and permanent easement documents, urban forestry permit application, and additional subsurface utility engineering (SUE) services, Amendment No. 4 in the amount of \$392,668.00 (M&C 20-0460, June 32, 2020) that provided for resident project representation (RPR) and start up assistance on Lake Arlington Lift Station; and Amendment No. 5 in the amount of \$329,249.00 (M&C 22-0290) April 12, 2022 that provided for additional easement acquisition assistance, plan redesigns, aerial crossing design and additional resident project representation support.

Amendment No. 6 provides for construction management, resident project representative, and construction support services including shop drawings, submittal reviews, change order review, archeological monitoring tracking, and record drawings.

Construction of the project was advertised for bid on June 06, 2024 and June 13, 2024 in the *Fort Worth Star-Telegram*. On July 18, 2024 the following bids were received:

Bidder	Part 1	Part 2	Total Bid	Contract Time
Belt Construction of Texas, LLC	\$35,986,607.33	\$23,670,890.00	\$59,657,497.33	900 Calendar Days
McKee Utility Contractors, LLC	\$36,959,969.77	\$22,689,137.50*	\$59,649,107.27	
S.J. Louis				

Construction of Texas, LLC	\$40,895,831.09	\$27,303,573.25	\$68,199,404.34	
Mountain Cascade of Texas, LLC	\$40,470,088.17	\$33,209,454.00	\$76,679,542.17	

*The bid submitted by McKee Utility Contractors, LLC for Part 2 has been determined to be non-responsive due to failure to submit the required M/WBE documentation within the required time period after bid submittal.

The project was advertised in two parts with the City reserving the right to award contracts to the respective responsive low bidders of Parts 1 and 2 or to the responsive bidder of both parts combined. Staff recommends the award of the combined project to Belt Construction of Texas, LLC in the amount of \$59,657,497.33.

In addition to the contract cost, \$1,356,717.00 is required for project management and inspection and \$540,559.00 is provided for project contingency.

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

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.

It is the practice of the Water Department to appropriate its Capital Improvement Program (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 2024-2028 Capital Improvement Program.

Funding for Lake Arlington Lift Station and Force Main is depicted below:

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Capital Fund Name	Project Name	FY2024 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2024 Budget
56023-W&S Commercial Paper Fund	100995-Lake Arlington, FM, LS and SS	\$0.00	This M&C	\$63,066,715.00	\$63,066,715.00

Funding is budgeted in the Commercial Paper Project within the W&S Commercial Paper Fund for the purpose of the Lake Arlington Lift Station and Force Main after the sale of Water and Sewer Bonds.

Funding for the Lake Arlington Lift Station and Force Main project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects – Fund 56002	\$34,608.40	\$0.00	\$34,608.40
W&S Capital Project 2018- Fund 56014	\$9,629,958.00	\$0.00	\$9,629,958.00
W&S Rev Bonds Series 2021 – Fund 56019	\$11,064,526.00	\$0.00	\$11,064,526.00
W&S Commercial Paper Fund 56023	\$0.00	\$63,066,715.00	\$63,066,715.00
Project Total	\$20,729,092.40	\$63,066,715.00	\$83,795,807.40

*Numbers rounded for presentation purposes.

Business Equity: The Business Opportunity Division placed a 16 percent business equity goal on this solicitation/contract. Belt Construction of Texas, LLC, has agreed/committed to utilize 16.68 percent business equity subcontractor participation for the scope of work, meeting the City's Business Equity Ordinance. Any changes in subcontractors will be reviewed by the Business Equity Division.

Business Equity: Business Equity placed a 12.90 percent business equity goal on this project. Freese and Nichols, Inc., is committing to 3.63 percent MWBE participation, and Good Faith Effort (GFE) with supporting documentation was submitted, which is in accordance with the City's Business Equity Ordinance. Any changes in subcontractors will be reviewed by the Business Equity Division.

The project is located in COUNCIL DISTRICTS 5 and City of Kennedale.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds will be 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 Lake Arlington FM, LS and SS project to support the above recommendations and execution of the construction contract and amendment to the engineering agreement. 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: Fernando Costa 6122

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: April Escamilla 8455