

# Mayor and Council Communication

DATE: 02/08/22

M&C FILE NUMBER: M&C 22-0096

LOG NAME: 60BFCEM402P4A-BGE

**SUBJECT**

(CD 4) Authorize Execution of an Engineering Agreement with BGE, Inc., in the Amount of \$1,595,280.00, for the Big Fossil Creek Collector Parallel, Phase IVA from Belknap Street To Interstate 820, Adopt Attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt and Adopt Attached Appropriation Ordinance

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of an engineering agreement with BGE, Inc., in the amount of \$1,595,280.00, for the Big Fossil Creek Collector Parallel Main 402, Phase IVA from Belknap Street (State Highway 183) To Interstate 820 project; and
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future debt for the Big Fossil Creek Collector Parallel Main 402, Phase IVA from Belknap Street (State Highway 183) To Interstate 820 project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the amount of \$3,858,320.00 in the Big Fossil Creek Collector Parallel Main 402, Phase IVA from Belknap Street (State Highway 183) To Interstate 820 project (City Project No. 103289) and decreasing appropriations in the Unspecified project (City Project No. UNSPEC) by the same amount.

**DISCUSSION:**

This Mayor and Council Communication is to authorize the preparation of plans and specifications for the Big Fossil Creek Collector Parallel Main 402, Phase IVA project. The proposed project will provide additional capacity to support existing and future development in North Fort Worth and several customer cities.

The proposed scope of services includes route analysis, design survey, sewer main design, easement preparation, floodplain permits and sub-surface utility engineering. BGE, Inc., proposes to provide the necessary work for a fee not to exceed \$1,595,280.00. In addition to the contract amount, \$2,263,040.00 is required for project management, utility coordination, real property acquisition and material testing. This project is part of the Water Department's Sanitary Sewer Overflow Initiative Program.

This project is anticipated to be included in a future revenue bond issue for the Water and 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.

Funding for the Big Fossil Creek Collector Sewer Parallel Phase IVA project, are as depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper Fund 56020	\$0.00	\$3,858,320.00	\$3,858,320.00
Project Total	\$0.00	\$3,858,320.00	\$3,858,320.00

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

The Water and Sewer Commercial Paper Fund includes authority of \$150,000,000.00 for the purpose of providing interim funding for Water and Sewer Capital Projects until revenue bonds are issued. The current remaining balance is \$52,915,071.00. After this transfer of \$3,858,320.00, the balance will be \$49,056,751.00 for future capital projects.

Business Equity: BGE, Inc. is in compliance with the City's Business Equity Ordinance by committing to 19 percent Business Equity participation on this project. The City's Business Equity goal on this project is 10 percent.

The project is located adjacent to COUNCIL DISTRICT 4, In Haltom City and North Richland Hills.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the Unspecified-All Funds 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 Big Fossil Creek Sewer PHIV A project to support the approval of the above recommendations and execution of the agreement. Prior to any expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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Expedited