

# Mayor and Council Communication

DATE: 01/27/26

M&amp;C FILE NUMBER: M&amp;C 26-0071

LOG NAME: 202022 BOND YEAR 3 CONTRACT 13 – 2R CONSTRUCTION

**SUBJECT**

(CD 5 and CD 11) Authorize Execution of a Contract with 2R Construction Services Inc., in the Amount of \$8,179,908.65 for Combined Street Paving Improvements, Stormwater Improvements, and Water and Sanitary Sewer Main Replacements for the 2022 Year 3 – Contract 13 Project, Adopt Appropriation Ordinances to Effect a Portion of Water Department's Contribution to Fiscal Years 2026-2030 Capital Improvements Program, and for Street Repair Funding, and Amend the Fiscal Years 2026-2030 Capital Improvement Program (2022 Bond Program)

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of a contract with 2R Construction Services Inc., in the amount of \$8,179,908.65 for combined street paving improvements, stormwater improvements, water improvements, and sanitary sewer main replacements for the 2022 Bond Year 3 - Contract 13 project (City Project No. 104311);
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Water and Sewer Capital Projects Fund in the amount of \$5,128,712.00 from available PayGo residual funds within the Water and Sewer Capital Projects Fund, for the purpose of funding the 2022 Bond Year 3 – Contract 13 project (City Project No. 104311) to effect a portion of Water's Contribution to the Fiscal Years 2026-2030 Capital Improvement Program;
3. Adopt the attached appropriation ordinance adjusting appropriations in the 2022 Bond Program Fund, by increasing appropriations in the 2022 Bond Year 3 - Contract 13 project (City Project No. 104311), in the amount of \$4,256,000.00, and decreasing appropriations in the Street Improvement-Deteriorating Streets programmable project (City Project No. PB0019) by the same amount;
4. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Stormwater Capital Projects Fund, by increasing receipts and appropriations in the in the 2022 Bond Year 3 – Contract 13 project (City Project No. 104311) in the amount of \$200,000.00 and decreasing estimated receipts and appropriations in the Drainage Improvements programmable project (City Project No. P00043) by the same amount; and
5. Amend the Transportation & Public Works Contribution to the Fiscal Years 2026-2030 Capital Improvement Program.

**DISCUSSION:**

This Mayor and Council Communication (M&C) is to authorize a construction contract for the Year 3 Neighborhood Streets Improvement project associated with the 2022 Bond Program. The 2022 Bond Year 3 - Contract 13 project includes water, sanitary sewer, stormwater, and street paving improvements on approximately 4.19 lane miles, on the following streets:

Street	From	To	Scope
North Hampshire Boulevard	House Street	Tierney Road	Water/Sewer/Paving
Hightower Street	Weiler Boulevard	Stark Street	Paving/Storm
Hightower Street	Halbert Street	Milam Street	Water/Sewer/Paving
Kipling Street	Milam Street	Major Street	Sewer/Paving/Storm
Milam Street	Beaty Street	Church Street	Water/Paving
Proctor Street	Kipling Street	Routt Street	Water/Paving
Ruth Street	Mims Street	Rosehill Drive	Sewer/Paving
South Hampshire Boulevard *	House Street	Tierney Road	Sewer
Proctor Street*	Kipling Street	Craig Street	Water
Kipling Street*	Major Street	Mims Street	Water/Sewer
Yeager Street*	Greenlee Street	300 ft north of Hightower Street	Sewer
Easement between Hightower Street and Greenlee Street*	Weiler Boulevard	Yeager Street	Sewer
Easement between Major Street and Mims Street*	Kipling Street	North 150 feet	Sewer
Easement between Louis Street and Proctor Street*	Craig Street	Routt Street	Sewer
Easement between Proctor Street and Major Street*	Kipling Street	Routt Street	Sewer

\*Due to the close proximity to the 2022 Year 3 – Contract 13 project streets above, the Water Department requested that water main extensions on these streets be included with this project in order to loop the water system and provide increased efficiency. Asphalt paving rehabilitation will be

conducted on the indicated streets following the installation of the water main. Additionally, deteriorated sanitary sewer mains will be replaced in the indicated streets.

The Stormwater Division has identified the need to repair or replace deteriorated sections of the existing storm drains in Kipling Street and Hightower Street as part of this project.

The project was advertised for bid on September 10 and September 17, 2025, in the *Fort Worth Star-Telegram*. On October 9, 2025, the following bids were received:

Bidders	Base Bid Amount ** (Concrete Paving)	Alternate A Amount (Asphalt Paving)	Time of Completion
2R Construction Services Inc.	\$9,233,439.45	\$8,179,908.65	400 Calendar Days
FNH Construction, LLC.	\$10,256,666.00	\$9,046,625.00	
Stabile & Winn, Inc.	\$10,100,314.50	\$10,182,204.50	

\*\*In an attempt to secure alternate bids, staff advertised the project with concrete as the base bid to reconstruct existing streets included in the bond with concrete travel lanes. Alternate A was bid as a rehabilitation of the existing roadway with new asphalt and replacement of damaged curb and gutter. Concrete paving typically has a longer lifespan and lower maintenance costs than asphalt. However, due to a significant cost difference between the low bids submitted for the asphalt and concrete paving alternatives, staff recommends awarding the contract as Alternate A (asphalt paving).

The Transportation & Public Works (TPW) Department's share of this contract is \$3,700,475.00 (Paving: \$3,551,636.00; Stormwater: \$148,839.00). The paving funds for this project are included in the 2022 Bond Program. The Water Department's share of this contract is \$4,479,433.65 and will be available in the Water and Sewer Capital Projects Fund for the project (City Project No. 104311). In addition to the contract amount, \$983,867.35 (Water: \$146,707.00, Sewer: \$278,599.35, Stormwater: \$31,161.00, and Paving: \$527,400.00) is required for project management, material testing, and inspection. \$420,936.00 (Water: \$76,565.00, Sewer: \$147,407.00, Stormwater: \$20,000.00 and Paving: \$176,964.00) is provided for project contingencies.

This project will have no impact on the Transportation & Public Works or the Water Department's operating budgets when completed. The sanitary sewer component of this project is part of the Sanitary Sewer Overflow Initiative Program of the Water Department. Approximately 4,312 linear feet of cast iron water pipe and 6,026 linear feet of sanitary sewer main will be removed and replaced as part of this project. The storm drain component of this project will replace or repair a portion of the existing storm drain system, which is in need of rehabilitation to ensure continued drainage system performance and improve future maintenance of the system.

The Stormwater Capital funding was included in the FY2026-2030 Capital Improvement Program for project P00043. In order to administratively track the spending of all funding sources in one project, an appropriation ordinance is needed to move appropriations from the programmable project to the jointly funded static project. The action in this M&C will amend TPW's FY2026-2030 Capital Improvement Program as approved in connection with Ordinance 27979-09-2025.

It is the practice of the Water Department to appropriate its Capital Improvement Program plan throughout the Fiscal Year, rather than within the annual budget ordinance, as projects commence, additional funding needs are identified, and it complies with bond covenants.

Funding is currently available in the Unspecified All-Funds project within the Water & Sewer Capital Projects Fund for the purpose of funding the 2022 Bond Year 3 – Contract 13 project. Funding is also budgeted in the 2022 Bond Program Fund in the Street Improvement-Deteriorating Streets programmable project, and in the Stormwater Capital Projects Fund in the Drainage Improvements Projects programmable project for the purpose of funding the 2022 Bond Year 3 – Contract 13 project.

Appropriations for the water, sanitary sewer, stormwater, and paving improvements for the 2022 Bond Year 3 - Contract 13 project (City Project No. 104311) by Fund will consist of the following:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
34027 - 2022 Bond Program	\$500,351.00	\$4,256,000.00	\$4,756,351.00
56002 - W&S Capital Projects	\$521,393.00	\$5,128,712.00	\$5,650,105.00
52002 - Stormwater Capital Projects	\$10,000.00	\$200,000.00	\$210,000.00
<b>Project Total</b>	<b>\$1,031,744.00</b>	<b>\$9,584,712.00</b>	<b>\$10,616,456.00</b>

\*Numbers rounded for presentation purposes.

The Small Business (SB) Goal - 2R Construction Services Inc. has met the City's small business goal.

This project is included in the 2022 Bond Program. The City's Extendable Commercial Paper (ECP) (M&C 22-0607; Ordinance 25765-08-2022) provided liquidity to support the appropriation. Available resources will be used to actually make any interim progress payments until debt is issued. Once debt associated with a project is sold, debt proceeds will reimburse the interim financing source in accordance with the statement expressing official Intent to Reimburse that was adopted as part of the ordinance canvassing the bond election (Ordinance 25515-05-2022).

The project is located in COUNCIL DISTRICTS 5 AND 11.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the Street Improv-DeterioratingSts programmable project within the 2022 Bond Program Fund, the Drainage Improvement Projects project within the Stormwater Capital Projects Fund, in the Unspecified All-Funds project within the W&S Capital Projects Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinances, funds will be available in the W&S Capital Projects Fund, 2022 Bond Program Fund and the Stormwater Capital Projects Fund for the 2022 Bond Yr 3 – Contract 13 project to support the execution of the construction contract. Prior to any expenditure being incurred, the Transportation & Public Works and the Water Departments, have the responsibility to validate the availability of funds.

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