

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 05/13/25M&C FILE NUMBER: M&C 25-0404

LOG NAME: 60SENDERARGST-PRELOADANDKHA

SUBJECT

(CD 10) Authorize Execution of a Contract with Preload, LLC in the Amount of \$11,937,000.00 for New Sendera Ranch Ground Storage Tank Project, Provide for Project Costs for a Project Total in the Amount of \$12,769,462.00, 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 2025-2029 Capital Improvement

RECOMMENDATION:

It is recommended that the City Council:

- 1. Authorize execution of a contract with Preload, LLC in the amount of \$11,937,000.00 for the New Sendera Ranch Ground Storage Tank project;
- 2. Adopt the attached Resolution expressing official intent to reimburse expenditures with proceeds from future debt for the New Sendera Ranch GST project; and
- 3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the New Sendera Ranch Ground Storage Tank project (City Project No. 105781) in the amount of \$12,769,462.00 and decreasing appropriations in the Commercial Paper project (City Project No. UCMLPR) by the same amount, to effect a portion of Water’s contribution to the Fiscal Years 2025-2029 Capital Improvement Program.

DISCUSSION:

On November 12, 2024, Mayor and Council Communication (M&C) 24-0998 authorized an engineering agreement with Kimley-Horn and Associates, Inc. (City Secretary No. 62396) for the preparation of plans and specifications for the New Sendera Ranch Ground Storage Tank.

This Mayor and Council Communication (M&C) is to authorize a contract with Preload, LLC in the amount of \$11,937,000.00 for construction of the New Sendera Ranch Ground Storage Tank.

Construction of the project was advertised for bid on March 5, 2025 and March 12, 2025 in the *Fort Worth Star-Telegram*. On April 3, 2025 the following bid was received:

Bidder	Amount	Contract Time
Preload, LLC	\$11,937,000.00	400 Calendar Days
DN Tanks, LLC	\$11,955,955.00	

In addition to the contract cost, \$436,357.00 is required for project management, material testing and inspection and \$298,425.00 is provided for project contingency. The project appropriation includes \$97,680.00 for Amendment No. 1 to City Secretary Contract No. 62396 with Kimley-Horn and Associates, Inc. that will provide for construction phase services, additional design and easement services on the project.

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

Available cash within the Water and Sewer portfolio and the City’s portfolio along with the appropriation authority authorized under 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 (FY), 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 2025-2029 Capital Improvement Program.

Funding for New Sendera Ranch GST is depicted below:

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Capital Fund Name	Project Name	FY2025 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2025 Budget
56026-W&S Commercial Paper Fund	105781 – New Sendera Ranch GST	\$0.00	This M&C	\$12,769,462.00	\$12,769,462.00

Funding is budgeted in the Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding of the New Sendera Ranch GST project.

Funding for the New Sendera Ranch Ground Storage Tank is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
56026 – W&S Commercial Paper	\$809,721.00	\$12,769,462.00	\$13,579,183.00
Project Total	\$809,721.00	\$12,769,462.00	\$13,579,183.00

DVIN: The Business Equity Division placed a 9.01 percent business equity goal on this solicitation/contract. Preload, LLC, will be exceeding the goal at 10.52 percent, meeting the City’s Business Equity Ordinance. Any changes in subcontractors will be reviewed by the Business Equity Division.

The project is located in COUNCIL DISTRICT 10.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are 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 New Sendera Ranch GST project to support the above recommendations and execution of the contract and amendment. 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: Jessica McEachern 5804

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Expedited