

Mayor and Council Communication

DATE: 04/07/20

M&C FILE NUMBER: M&C 20-0173

LOG NAME: 60CDWRWSSP6CO1-CIRCLEC

SUBJECT

Authorize Execution of Change Order No. 1 in the Amount of \$131,075.00 with William J. Schultz, Inc. dba Circle C Construction Company, for Cultural District-Will Rogers Water and Sanitary Sewer Improvements, Part 6 – Crestline Road and River Drive for a Revised Contract Cost of \$2,055,740.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt and Adopt Appropriation Ordinance (COUNCIL DISTRICTS 7 and 9)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of Change Order No. 1 to City Secretary Contract No. 51918 in the amount of \$131,075.00 with William J. Schultz, Inc. dba Circle C Construction Company, or Cultural District-Will Rogers Water and Sanitary Sewer Improvements Project, Part 6 - Crestline Road and River Drive for a revised contract cost of \$2,055,740.00 (City Project No. C01468);
2. Adopt the attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt for the Cultural District-Will Rogers Water and Sanitary Sewer Improvements Project, Part 6 - Crestline Road and River Drive; and
3. Adopt the attached Appropriation Ordinance increasing appropriations in the Water and Sewer Commercial Paper Fund in the amount of \$131,075.00, from available funds, to fund the Cultural District-Will Rogers Water and Sanitary Sewer Improvements Project, Part 6 - Crestline Road and River Drive.

DISCUSSION:

On January 29, 2019, Mayor and Council Communication (M&C C-29011) the City Council authorized a Contract with William J. Schultz, Inc. dba Circle C Construction Company, in the amount of \$1,924,665.00 for the Cultural District-Will Rogers Water and Sanitary Sewer Improvements Project, Part 6 – Crestline Road and River Drive.

Change Order No. 1 will provide for the following increased and additional pay item quantities that are necessary on the project:

- 24-inch water trenchless installation across Crestline Road to minimize disruption to traffic.
- Median demolition and restoration at Crestline Road to provide access to the project site.
- Traffic control at Trinity Park Drive.
- Pavement milling and asphalt overlay.

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. To the extent resources other than the Water and Sewer portfolio are used to provide interim financing, the Water and Sewer Fund will be charged interest that is equivalent to the overall rate of return being earned by the City portfolio (currently approximately 2.3 percent annually). Should the City's portfolio not support the liquidity needed to provide an interim short-term financing source, another funding source will be required, which could mean issuance of securities under the CP Program or earlier issuance of Water and Sewer revenue bonds than is currently planned. 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.

The City Council approved the Water Department's Fiscal Year 2020-2024 Five Year Capital Improvement Plan on September 17, 2019. This City Council adopted plan includes this specific project, with funding identified through the CP program to be reimbursed with future revenue bonds. In accordance with the provisions of the Financial Management Policy Statement, Staff anticipates presenting revenue-supported debt issuances to the City Council for consideration within the next three years. This debt must be issued within approximately three years to provide reimbursement for these expenses. If that does not occur, the costs will no longer be reimbursable by issuing tax-exempt debt and the funding source will have to be made whole through budgetary methods. Adoption of this resolution does not obligate the City to sell bonds, but preserves the ability to reimburse the City from tax-exempt bond proceeds.

Funding for the Cultural District/Will Rogers Area Water and Sanitary Sewer Improvements as depicted in the table below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Water Capital Fund 59601	\$6,794,511.00	\$0.00	\$6,794,511.00
Sewer Capital Fund -59607	\$3,210,652.00	\$0.00	\$3,210,652.00
Water & Sewer			

2015A Bond Fund 56007	\$1,772,417.00	\$0.00	\$1,772,417.00
Water & Sewer 2017A Bond Fund 56011	\$695,000.00	\$0.00	\$695,000.00
WS Capital Project 2019 Fund 56016	\$2,492,498.00	\$0.00	\$2,492,498.00
Water & Sewer Commercial Paper Fund 56017	\$253,865.00	\$131,075.00	\$384,940.00
Project Total	\$15,218,943.00	\$131,075.00	\$15,350,018.00

*Numbers rounded for presentation purposes.

M/WBE Office – A waiver of the goal for MBE/SBE subcontracting requirements was requested by the Department and approved by the OBD, in accordance with the BDE Ordinance, because the purchase of good or services is from sources where subcontracting or supplier opportunities are negligible.

The project is located in COUNCIL DISTRICTS 7 AND 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Water & Sewer Commercial Paper Fund (W&S Commercial Paper) for Cultural District/Will Rogers Water and Sanitary Sewer Improvements Project. 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: Dana Burghdoff 8018

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: John Kasavich 8480