

Mayor and Council Communication

DATE: 11/29/22

M&C FILE NUMBER: M&C 22-0951

LOG NAME: 60MARINECREEK PHASE II PART II-MCKEE

SUBJECT

(CD 2) Authorize Execution of a Contract with McKee Utility Contractors, Inc., in the Amount of \$4,650,000.00 for Marine Creek Parallel Phase II Sanitary Sewer Improvement Project, 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 2023-2027 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a contract with McKee Utility Contractors, Inc., in the amount of \$4,650,000.00 for Marine Creek Parallel Phase II project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Marine Creek Parallel Phase II (City Project No. 100274) project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Marine Creek Parallel Phase II project (City Project No. 100274) in the amount of \$5,266,568.00 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 2023-2027 Capital Improvement Program.

DISCUSSION:

This Mayor and Council Communication (M&C) provides for the construction of a 42-inch, 30-inch and 16-inch sewer main, extending from Ten Mile Bridge Road and proceeding southwesterly and southerly 2,800 feet. The project will provide additional wastewater capacity to the Marine Creek drainage basin.

The project was advertised for bid on September 15, 2022 and September 22, 2022 in the *Fort Worth Star-Telegram*. On October 13, 2022 the following bids were received:

Bidder	Amount		Contract Time
	Total A (Base Bid & Concrete Manhole) Amount	*Total B (Base Bid & Polymer Manhole) Amount	
McKee Utility Contractors, Inc.	\$4,650,000.00	\$4,950,000.00	360 Calendar Days
S.J. Louis Construction of Texas, Ltd.	\$5,081,159.40	\$5,342,553.40	
William J Schultz, Inc. dba Circle C Construction Company	\$0.00	\$5,880,040.00	
Mountain Cascade of Texas, LLC	\$11,267,317.00	\$11,560,817.00	

This project will have no impact on the Water Department’s operating budget when complete. This project is part of the Water Department’s Sanitary Sewer Overflow Initiative Program.

In addition to the contract amount, \$407,318.00 is required for project management, material testing and inspection and \$209,250.00 is provided for project contingencies.

It is the practice of the Water Department to appropriate its 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 amend the City of Fort Worth’s Fiscal Year 2023-2027 Capital Improvement Program as follows:

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56021 - W&S Commercial Paper	100274 – Marine Creek Parallel Phase II	\$0.00	This M&C	\$5,266,568.00	\$5,266,568.00

Funding for the Marine Creek Interceptor M-279A & M-365 Improvements Phase II project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Projects – Fund 56002	\$754,873.00	\$0.00	\$754,873.00
WS Capital Project 2019 – Fund 56016	\$3,375,830.00	\$0.00	\$3,375,830.00
W&S Commercial Paper Fund 56021	\$0.00	\$5,266,568.00	\$5,266,568.00
Project Total	\$4,130,703.00	\$5,266,568.00	\$9,397,271.00

*Numbers rounded for presentation purposes.

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

Business Equity - McKee Utility Contractors, Inc. is in compliance with City’s Business Equity Ordinance by committing to 22 percent Business Equity participation on this project. The City’s Business Equity goal on this project is 21 percent.

The project is located in COUNCIL DISTRICT 2.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the W&S 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 Marine Creek Parallel Phase II project to support the above recommendation and the execution of the construction contract. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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Expedited