

# Mayor and Council Communication

DATE: 09/27/22

M&C FILE NUMBER: M&C 22-0785

LOG NAME: 60CFFMAIN-SJLOUIS

## **SUBJECT**

(CD 9) Authorize Execution of a Contract with S.J. Louis Construction of Texas, Ltd. in the Amount of \$29,829,815.71 for the Clear Fork Wastewater Force Main 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 2022-2026 Capital Improvement Program

## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of a contract with S.J. Louis Construction of Texas, Ltd. in the amount of \$29,829,815.71 for the Clear Fork Force Main project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Clear Fork Force Main 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 \$31,034,957.00 in the Clear Fork Force Main project (City Project No. 100996) and decreasing appropriations in the Unspecified project (City Project No. UCMLPR) by the same amount to effect a portion of Water's Contribution to the Fiscal Years 2022-2026 Capital Improvement Program.

## **DISCUSSION:**

This Mayor and Council Communication (M&C) is to authorize a construction contract with S.J. Louis Construction of Texas, Ltd. and appropriate funding for the Clear Fork Force Main project.

This project is the second part of a two part project that is known as the Clear Fork Lift Station and Clear Fork Force Main project. The City received bids for the first part of the project; the Clear Fork Lift Station on April 21, 2022, that was awarded to Eagle Contracting, LLC on June 14, 2022 (M&C 22-0414).

The Lift Station and Force Main projects will provide additional wastewater conveyance to eliminate repeated sanitary sewer overflows that have occurred over the years in the lower reaches of the Clear Fork Drainage Basin. In addition, flow projections have indicated that the existing collection system is undersized in the Clear Fork corridor from the University/Interstate Highway 30 intersection to West 7<sup>th</sup> Street. When completed the new lift station and force main can also be utilized to perform bypass pumping operations during rehabilitation work on the existing two sewer trunk mains providing significant future construction cost savings. The Force Main project will extend from the Clear Fork Lift Station northerly to 5<sup>th</sup> Street as shown on the Mayor and Council Communication Map.

Construction of the project was advertised for bid on June 23, 2022 and June 30, 2022, in the *Fort Worth Star-Telegram*. On July 28, 2022, the following bids were received:

Bidder	Base Bid	Contract Time
S.J. Louis Construction of Texas, Ltd.	\$29,829,815.71	400 Calendar Days
McKee Utility Constructors, Inc.	\$35,295,920.00	
Mountain Cascade of Texas, LLC	\$38,035,845.00	
Oscar Renda Contracting, Inc.	\$39,399,757.00	

In addition to the contract cost, \$906,843.29 is required for project management and inspection and \$298,298.00 is provided for project contingency.

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.

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.

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 2022-2026 Capital Improvement Program as follows:

**60CFFMAIN-SJLOUIS**

Capital Fund Name	Project Name	FY2022 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2022 Budget
56020 – Water & Sewer Revenue Bonds Series 2022 Fund	100996 – Clear Fork Lift Station and Force Main	\$0.00	M&C 22-0414	\$13,917,999.00	\$13,917,999.00
56021 - W&S Commercial Paper	100996 – Clear Fork Lift Station and Force Main	\$0.00	This M&C	\$31,034,957.00	\$31,034,957.00

Funding for the Clear Fork Lift Station and Force Main project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Capital Proj 2018 – Fund 56014	\$3,591,570.00	\$0.00	\$3,591,570.00
W&S Revenue Series 2022 - Fund 56020	\$13,917,999.00	\$0.00	\$13,917,999.00
W&S Commercial Paper Fund 56021	\$0.00	\$31,034,957.00	\$31,034,957.00
<b>Project Total</b>	<b>\$17,509,569.00</b>	<b>\$31,034,957.00</b>	<b>\$48,544,526.00</b>

Business Equity - S.J. Louis Construction of Texas, Ltd. is in compliance with City's Business Equity Ordinance by committing to 13 percent Business Equity participation on this project. The City's Business Equity goal on this project is 13 percent.

The project is located in COUNCIL DISTRICT 9.

**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 Clear Fork LS and FM project to support the execution of the contract. 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:** Dana Burghdoff 8018

**Originating Business Unit Head:** Chris Harder 5020

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Expedited