

# Mayor and Council Communication

**DATE:** 02/14/23

**M&C FILE NUMBER:** M&C 23-0125

**LOG NAME:** 60SWESTSIDE V WATERMAIN- MCKEE

**SUBJECT**

(CD 3 / FUTURE CD 3) Authorize Execution of a Contract with McKee Utility Contractors, Inc. in the Amount of \$11,395,255.00 for Westside V Elevated Storage Tank and Transmission Main Project, Provide for Total Project Costs in the Amount of \$12,142,419.00, Authorize Acceptance of Funds from Walsh Ranches Limited Partnership in the Amount of \$290,000.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinances 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 \$11,395,255.00 for the Westside V Elevated Storage Tank and Transmission Main project (City Project No. 103428);
2. Authorize the acceptance of funds from Walsh Ranches Limited Partnership in the amount of \$290,000.00 (City Secretary Contract No. 58730);
3. Adopt attached appropriation ordinance increasing estimated receipts and appropriations in the Water and Sewer Capital Projects Fund in the amount of \$290,000.00, from Walsh Ranches Limited Partnership, for the purpose of providing funding for the Westside V Elevated Storage Tank and Transmission Main project (City Project No. 103428);
4. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Westside V Elevated Storage Tank and Transmission Main project; and
5. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Westside V Elevated Storage Tank and Transmission Main project (City Project No. 103428) in the amount of \$11,852,419.00 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:**

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of a contract with McKee Utility Contractors, Inc. in the amount of \$11,395,255.00 for the Westside V Elevated Storage Tank and Transmission Main project (City Project No. 103428).

The project was advertised for bid on October 13 and 20, 2022, in the *Fort Worth Star-Telegram*. On November 17, 2022, the following bids were received:

Bidder	Unit 1 Bid	Unit 2 Bid	Total Bid	Contract Time
McKee Utility Contractors, Inc.	\$11,105,255.00	\$290,000.00	\$11,395,255.00	365 Calendar Days
Reyes Group, Ltd.	\$11,249,348.25	\$350,650.75	\$11,599,999.00	
Thalle Construction of Co., Inc.	\$11,820,078.00	\$263,000.00	\$12,083,078.00	
Jackson Construction, Ltd.	\$12,168,688.00	\$330,000.00	\$12,498,688.00	

Walsh Ranches Limited Partnership (WRLP), pursuant to a Developer Funding Agreement (City Secretary Contract No. 58730), will contribute the amount of \$290,000.00 to pay for the cost of the Unit 2 Bid which consists of 24-inch stub outs as requested by WRLP during the design of this project.

In addition to the contract cost, \$525,059.00 is required for project management and inspection and \$222,105.00 is provided for project contingency. M&C 21-0482 authorized \$461,026.00 for project management, real property acquisitions, and utility coordination in relation to Kimley-Horn and Associates, Inc.’s original engineering contract.

This project will have no impact on the Water Department’s operating budget when complete.

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:

**60SWESTSIDE V WATERMAINP2- MCKEE**

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
Fund 56021- W&S Commercial Paper	103428 – WS V EST and Transmission Main	\$0.00	This M&C	\$11,852,419.00	\$11,852,419.00
Fund 56002- W&S Capital Projects	103428 – WS V EST and Transmission Main	\$0.00	This M&C	\$290,000.00	\$290,000.00

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.

Funding is budgeted in the W&S Commercial Paper Fund for the purpose of funding the WS V EST and Transmission Main project, as appropriated.

Funding for the WS V EST and Transmission Main project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Rev Bonds Series 2022 - Fund 56020	\$9,725,584.00	\$0.00	\$9,725,584.00
W&S Commercial Paper - Fund 56021	\$0.00	\$11,852,419.00	\$11,852,419.00
W&S Capital Projects - Fund 56002	\$0.00	\$290,000.00	\$290,000.00
<b>Project Total</b>	<b>\$9,725,584.00</b>	<b>\$12,142,419.00</b>	<b>\$21,868,003.00</b>

\*Numbers rounded for presentation purposes.

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

The project is located in COUNCIL DISTRICT 3/FUTURE DISTRICT 3.

**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 ordinances, funds will be available in the W&S Commercial Paper Fund and the W&S Capital Projects Fund for the WS V EST and Transmission Main project to support the approval of the above recommendations and execution of the construction contract. The Water Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City. 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

Expedited