

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 06/25/24 M&C FILE NUMBER: M&C 24-0608

LOG NAME: 60SSM295M329U123-CIRCLEC

SUBJECT

(CD 8) Authorize Execution of a Contract with William J. Schultz, Inc. dba Circle C Construction Company, in the Amount of \$14,438,269.50 for Sanitary Sewer Interceptor Improvements M-295 and M-329, Adopt Attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Attached Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2024-2028 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a contract with William J. Schultz, Inc. dba Circle C Construction Company, in the amount of \$14,438,269.50 for CFA-Sanitary Sewer Interceptor Improvements M-295 and M-329 (City project No. 102152);
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Sanitary Sewer Interceptor Improvements M-295 and M-329 Units 1, 2 and 3; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the CFA Bucket project (City Project No. P00001) in the amount of \$9,932,489.00 and decreasing appropriations in the Water & Sewer Commercial Paper (City Project No. UCMLPR) by the same amount for the purpose of funding CFA-S.S. Mains M-295 and M-329 project (City Project No. 102152) and to affect a portion of Water’s Contribution to the Fiscal Years 2024-2028 Capital Improvement Program.

DISCUSSION:

This project was initially being constructed pursuant to a community facilities agreement between the City and Legends of Hanna Ranch, Ltd. (Developer), City Secretary Contract Number 55841. The contractor abandoned the project and the surety refused to perform pursuant to the performance bond. The City and Developer have sued the original contractor and the surety. The project was rebid and will be completed as a capital project. The City will fund the costs for completion of the project and seek reimbursement from the Developer and/or the surety for the Developer’s share of the project costs pursuant to an amendment to the Community Facilities Agreement. The amount of \$5,407,718.88 remains appropriated for the project's construction and will be utilized to partially fund this contract.

The project was advertised for bid on April 24, 2024 and May 2, 2024, in the *Fort Worth Star-Telegram*. On May 23, 2024, the following bids were received:

Bidder	Total Bid	Contract Time
William J. Schultz, Inc. dba Circle C Construction Company	\$14,438,269.50	400 Calendar Days

In addition to the contract cost, \$613,172.50 is required for staff costs including project management material testing and inspection and \$288,765.00 is provided for project contingency.

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

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 (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 Mayor & Council Communication will amend the City of Fort Worth’s Fiscal Year 2024-2028 Capital Improvement Program as follows:

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Name	Project Name	FY2024 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56023 - W&S Commercial Paper	102152 – CFA-S.S. Mains M-295 and M-329	\$0.00	This M&C	\$9,932,489.00	\$9,932,489.00

Funding will be budgeted in the UCMLPR project within the Commercial Paper Fund for the purpose of funding the CFA-S.S. Mains M-295 and M-329 project, after the sale of Water and Sewer Bonds.

Funding for the CFA-S.S. Mains M-295 and M-329 project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
Gvt Community Facilities Agmt – Fund 30111	\$14,000.00	\$0.00	\$14,000.00
CFA Developer – Fund 30114	\$69,537.23	\$0.00	\$69,537.23
Water/Sewer Bond 2016 – Fund 56005	\$167,341.00	\$0.00	\$167,341.00
W&S Community Facilities Agmt – Fund 56008	\$16,502.34	\$0.00	\$16,502.34
Water & Sewer Bond 2020A – Fund 56017	\$1,329,602.00	\$0.00	\$1,329,602.00
W&S Rev Bonds Series 2022 – Fund 56020	\$8,711,004.00	\$0.00	\$8,711,004.00
W&S Commercial Paper - Fund 56023	\$0.00	\$9,932,489.00	\$9,932,489.00
Project Total	\$10,307,986.57	\$9,932,489.00	\$20,240,475.57

*Numbers rounded for presentation purposes.

Business Equity – The Business Equity Division placed a 22% business equity goal on this solicitation/ contract. William J. Schultz, Inc. DBA Circle C Construction Company, has agreed/ committed to utilize 22% business equity sub-consultant participation for the scope of work, meeting the City’s Ordinance. Any changes in subcontractors will be reviewed by the Business Equity Division.

The project is located in COUNCIL DISTRICT 8.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds will be available after the sale of Water and Sewer Bonds in the UCMLPR 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 CFA-S.S. Mains M-295 and M-329 project to support the execution of the amendment to the engineering contract and the construction contract. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds. The Water Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

Submitted for City Manager's Office by: Fernando Costa 6122

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Walter Norwood 5026

