

Mayor and Council Communication

DATE: 10/19/21

M&C FILE NUMBER: M&C 21-0826

LOG NAME: 60NP24INWM-KHAFUNDING-SJLOUIS

SUBJECT

(CD 7 and FW ETJ) Authorize Execution of a Contract with SJ Louis Construction of Texas, Ltd. in the Amount of \$3,940,000.43 for the Northpointe 24-inch Water Transmission Main (N4-1A) Project, Provide for Total Project Cost in the Amount of \$4,501,025.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Attached Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a contract with SJ Louis Construction of Texas, Ltd. in the amount of \$3,940,000.43 for the Northpointe 24-inch Water Transmission Main (N4-1A) project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds of future debt for the Northpointe 24-inch Water Transmission Main project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water and Sewer Commercial Paper Fund by increasing appropriations in the Water and Sewer Commercial Paper Fund in the amount of \$4,501,025.00 in the Northpointe 24-inch Water Transmission Main (N4-1A) project (City Project No. 103505) and decreasing appropriations in the Unspecified project (City Project No. UNSPEC) by the same amount.

DISCUSSION:

This Mayor and Council Communication (M&C) is to authorize a construction contract and appropriate funding for the Northpointe 24-inch Water Transmission Main (N4-1A) project.

Construction of the project was advertised for bid on August 19, 2021 and August 26, 2021 in the *Fort Worth Star-Telegram*. On September 9, 2021, the following bids were received:

Bidder	Base Bid	Contract Time
Canary Construction, Inc.*	\$3,467,536.00	
SJ Louis Construction of Texas, Ltd	\$3,940,000.43	270 Calendar Days
Circle C Construction Co.	\$4,707,036.00	
Reyes Group Ltd.	\$5,043,858.75	
Western Municipal Construction of Texas, LLC	\$7,526,145.30	

*Subsequent to receipt of bids, Canary Construction, Inc. contacted the City and requested to withdraw its bid due to subsequently discovered unit cost bid errors.

Funding in the amount of \$99,250.00 is also provided for a professional services agreement with Kimley-Horn & Associates, Inc. for construction phase services for the Northpointe 24-inch Water Transmission Main (N4-1A) project.

In addition to the contract costs, \$304,174.00 is required for project management, utility coordination, and material testing and \$157,600.57 is provided for project contingencies.

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.

Appropriations for the Northpointe 24" Water Transmission Main (N4-1A) project are as depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Water & Sewer Commercial Paper	\$0.00	\$4,501,025.00	\$4,501,025.00

Fund - 56020			
Project Total	\$0.00	\$4,501,025.00	\$4,501,025.00

***Numbers rounded for presentation purposes.**

This project will have no impact on the Water Department's operating budget when completed.

Business Equity: SJ Louis Construction of Texas Ltd. is in compliance with City's Business Equity Ordinance by committing to 17 percent MWBE participation on this project. The City's MWBE goal on this project is 17 percent.

The project is located in COUNCIL DISTRICT 7 and FW ETJ.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the UNSPEC 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 NS IV 24" Water Main PH 1A (Northpointe) project to support the approval of the above recommendations and 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

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Additional Information Contact: Suzanne Abbe 8209