

Mayor and Council Communication

DATE: 09/27/22

M&C FILE NUMBER: M&C 22-0796

LOG NAME: 60BFOSSIL402P2-CIRCLEC

SUBJECT

(CD 4) Authorize Execution of a Contract with William J. Schultz, Inc. dba Circle C Construction Company in the Amount of \$15,863,818.00 for the Big Fossil Creek Parallel Relief Sanitary Sewer Main – 402A, Phase 2 Project, Adopt Attached 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 2022-2026 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 \$15,863,818.00, for the Big Fossil Creek Sanitary Sewer Phase 2 project;
2. Adopt attached appropriation ordinance adjusting estimated receipts and appropriations in the Water State Revolving Loan Fund in the amount of \$5,300,000.00, from loan proceeds, for the purposes of funding the Big Fossil Creek Sanitary Sewer Phase 2 project (City Project No C02702) to effect a portion of Water’s Contribution to the Fiscal Years 2022-2026 Capital Improvement Program;
3. Adopt attached appropriation ordinance adjusting estimated receipts and appropriations in the Clean Water SFR Fund in the amount of \$5,100,000.00, from loan proceeds, for the purpose of funding the Big Fossil Creek Sanitary Sewer Phase 2 project (City Project No C02702) to effect a portion of Water’s Contribution to the Fiscal Years 2022-2026 Capital Improvement Program;
4. Adopt attached appropriation ordinance increasing estimated receipts and appropriations in the Water & Sewer Capital Projects Fund in the amount of \$3,808,749.00, from project participation by the cities of North Richland Hills and Haltom City, for the purpose of funding the Big Fossil Creek Sanitary Sewer Phase 2 project (City Project No. C02702) to effect a portion of Water’s Contribution to the Fiscal Years 2022-2026 Capital Improvement Program;
5. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for Big Fossil Creek Sanitary Sewer Phase 2 project; and
6. Adopt the attached appropriation ordinance adjusting receipts and appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the amount of \$2,651,900.00 for Big Fossil Creek Sanitary Sewer Phase 2 project (City Project No. C02702) and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount.

DISCUSSION:

This Mayor and Council Communication (M&C) is to authorize a construction contract with William J. Schultz, Inc. dba Circle C Construction Company and appropriate funding for Big Fossil Creek Sanitary Sewer (Parallel Relief Sanitary Sewer Main – 402A), Phase 2 project including meter stations for Haltom City and North Richland Hills. This project Part 2 is the third and final phase of three phase plan of a single parallel sanitary sewer pipeline with sufficient capacity to provide joint service for the entire Big Fossil drainage area.

The project was advertised for bid on June 23, 2022 and June 30, 2022 in the *Fort Worth Star-Telegram*. On July 21, 2022 the following bids were received:

| Bidder | Amount | | | | Time of Completion |
|---|--|--|---|--|--------------------|
| | Total A (Base Bid & Concrete Manhole) Amount | Total B (Base Bid & Fiberglass Manhole) Amount | Total C (Base Bid & PVC Manhole) Amount | *Total D (Base Bid & Polymer Manhole) Amount | |
| William J Schultz, Inc. dba Circle C Construction Company | \$15,962,143.00 | \$15,814,968.00 | No Bid | \$15,863,818.00 | 550 Calendar Days |
| S.J. Louis Construction of Texas, LLC | \$20,559,320.00 | \$20,692,430.00 | No Bid | \$20,605,810.00 | |
| Mountain Cascade of Texas, LLC | \$23,513,183.00 | \$23,513,183.00 | No Bid | \$23,506,248.00 | |

| | | | | |
|---------------------------------|-----------------|-----------------|--------|-----------------|
| Oscar Renda Contracting, Inc. | \$24,444,241.00 | No Bid | No Bid | No Bid |
| McKee Utility Contractors, Inc. | \$27,608,888.00 | \$27,760,838.00 | No Bid | \$27,667,658.00 |

*Staff recommends approval of the low bid received for Total D due to the longer life span and reduced maintenance costs of polymer concrete manholes.

In addition to Fort Worth, two wholesale customer cities are participating in the funding of this project, Haltom City and North Richland Hills. The details of their respective participation amounts are outlined in an Interlocal Agreement between the participants, City Secretary No. 40078. The participants' percentage of the construction amounts are shown below and actual design and construction costs will be reimbursed when the project is finalized. In addition, Haltom City and North Richland Hills are paying 100% of their respective meter station costs identified below:

| City | Participation | Est. Const. Cost Participation | Meter Station Costs | Total |
|----------------------------|---------------|--------------------------------|-----------------------|------------------------|
| Fort Worth (FW) | 82.70% | \$12,236,439.21 | \$0.00 | \$12,236,439.21 |
| Haltom City (HC) | 10.80% | \$1,597,987.22 | \$527,260.00 | \$2,125,247.22 |
| North Richland Hills (NRH) | 6.50% | \$961,751.57 | \$540,380.00 | \$1,502,131.57 |
| Total | | -\$14,796,178.00 | \$1,067,640.00 | \$15,863,818.00 |

Most State Revolving Loans are granted for construction contracts only. Additional appropriations of \$996,831.00 ((\$758,497.00(FW: \$630,509.00; HC: \$79,900.00; NRH: \$48,088.00)) for project management, material testing and inspection; and \$238,334.00 (FW: \$184,952.00; HC: \$26,363.00; NRH: \$27,019.00 for project contingencies) are needed from the W&S Commercial Paper Fund. This project is part of the Water Departments Sanitary Sewer Overflow Initiative Program.

It is the practice of the Water Department to appropriate its Capital Improvement Program (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 appropriate funds in support of the Water's portion of the City of Fort Worth's Fiscal Years 2022-2026 Capital Improvement Program, as follows:

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| Capital Fund Name | Project Name | FY2022 CIP Appropriations | Authority | Budget Change (Increase/ Decrease) | Revised FY2022 Budget |
|---------------------------------|---|---------------------------|-----------|------------------------------------|-----------------------|
| 56021 W&S Commercial Paper Fund | C02702 – Big Fossil Creek Sani Sewer Ph 2 | \$0.00 | This M&C | \$2,651,900.00 | \$2,651,900.00 |
| 56002 W&S Capital Projects | | \$0.00 | This M&C | \$3,808,749.00 | \$3,808,749.00 |
| 56006 State Revolving Loan | | \$0.00 | This M&C | \$5,300,000.00 | \$5,300,000.00 |
| 59602 Clean Water SRF | | \$0.00 | This M&C | \$5,100,000.00 | \$5,100,000.00 |

Funding for the Big Fossil Creek Sanitary Sewer Phase 2 Project is depicted below:

| FUND | Existing Appropriations | Additional Appropriations | Project Total* |
|-----------------------------------|--------------------------------|----------------------------------|------------------------|
| Water/Sewer Bond 2016 Fund 56005 | \$1,350,000.00 | \$0.00 | \$1,350,000.00 |
| W&S Commercial Paper – Fund 56021 | \$0.00 | \$2,651,900.00 | \$2,651,900.00 |
| W&S Capital Projects – Fund 56002 | \$0.00 | \$3,808,749.00 | \$3,808,749.00 |
| State Revolving Loan – Fund 56006 | \$0.00 | \$5,300,000.00 | \$5,300,000.00 |
| Clean Water SRF Fund – Fund 59602 | \$0.00 | \$5,100,000.00 | \$5,100,000.00 |
| Project Total | \$1,350,000.00 | \$16,860,649.00 | \$18,210,649.00 |

*Numbers rounded for presentation purposes.

This project is anticipated to be included in a future revenue bond issue for the Water and 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: William J. Schultz, Inc. dba Circle C Construction Company is in compliance with the City's Business Equity Ordinance by committing to seven percent Business Equity participation and documenting good faith effort. William J. Schultz dba Circle C Construction Company identified several subcontracting and supplier opportunities. However, the firms contacted in the areas identified did not respond or did not submit the lowest bids. City's Business Equity goal on this project is 15 percent.

The project is located in COUNCIL DISTRICT 4.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the Unspecified-All Funds project within the Water State Revolving Loan & Clean Water SRF Funds and in the UCMLPR 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 Water State Revolving Loan, Clean Water SRF, W&S Capital Projects and W&S Commercial Paper Funds for the Big Fossil Crk Sani Sewer Ph 2 project to support the approval of the above recommendations and execution of the contract. Prior to any 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

Additional Information Contact: Walter Norwood 5026

Expedited