

Mayor and Council Communication

DATE: 03/25/25

M&C FILE NUMBER: M&C 25-0268

LOG NAME: 60FWCCP14SSRCO1-SJLOUIS

SUBJECT

(CD 2) Authorize Execution of Change Order No. 1 in the Amount of \$244,271.03 to a Contract with S.J. Louis Construction of Texas, LTD, for the Fort Worth Central City Part 14- Channel Segment C, Sanitary Sewer Relocation, Adopt Resolution Expressing Official Intent for the City to Reimburse Itself with Proceeds of Future Debt and/or Payments from the Tarrant Regional Water District for the Fort Worth Central City Water & Sewer Relocations Project, and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to the Fiscal Years 2025-2029 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of Change Order No. 1 in the amount of \$244,271.03 to City Secretary No. 59847 a contract with S.J. Louis Construction of Texas, LTD for the Fort Worth Central City Part 14- Channel Segment C, Sanitary Sewer Relocation for a revised contract amount of \$35,068,312.33;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt and/or annual payments from the Tarrant Regional Water District for the Fort Worth Central City Water and Sewer Relocations project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by decreasing appropriations in the Commercial Paper fund (City Project No. UCMLPR) in the amount of \$244,272.00 and increasing appropriations in the Fort Worth Central City Water and Sewer Relocations project (City Project No. 104484) by the same amount to effect a portion of Water’s contribution to the Fiscal Years 2025-2029 Capital Improvement Program.

DISCUSSION:

On June 27th, 2023 by Mayor and Council Communication (M&C) 23-0542, the City Council authorized a construction contract with S.J. Louis Construction of Texas, LTD in the amount of \$34,824,041.30 for Fort Worth Central City Part 14- Channel Segment C, Sanitary Sewer.

Change Order No. 1 in the amount of \$244,271.03 will provide for sanitary sewer main and manhole rim elevations between stations 1+00 and 7+00 to accommodate future Channel grading by the United States Army Corps of Engineers. The proposed future grades were unknown prior to advertising the project for bid.

This project is anticipated to be repaid from a series of annual reimbursements from the Tarrant Regional Water District (TRWD) as part of the Fort Worth Central City (FWCC) Water & Sewer Relocations project. In the event any bond-eligible costs are not fully reimbursed by TRWD, those costs would be 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 the debt is issued. Once payment is received from TRWD and/or debt associated with the unreimbursed portions of this project is sold, those funds 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 M&C will appropriate funds in support of the Water’s portion of the City of Fort Worth’s Fiscal Years 2025-2029 Capital Improvement Program.

Appropriations for the Fort Worth Central City Part 14- Channel Segment C, Sanitary Sewer in the FWCC Water and Sewer Relocations project is depicted below:

Capital Fund Name	Project Name	FY2025 CIP Appropriations	Authority	Budget Change (Increase / Decrease)	Revised FY2025 Budget
56023 - W&S Commercial Paper	104484 – FWCC Water & Sewer Relocations	\$0.00	This M&C	\$244,272.00	\$244,272.00

Project is depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W&S Commercial Paper - Fund 56023	\$27,116,775.77	\$244,272.00	\$27,361,047.77
W&S Capital Projects – Fund 56002	\$11,895,620.23	\$0.00	\$11,895,620.23
Project Total	\$39,012,396.00	\$244,272.00	\$39,256,668.00

The sanitary sewer \$244,271.03 amount of this Change Order is considered Trinity River Vision (TRV)-relocated work, which are eligible for funding from Tax Increment Reinvestment Zone No. 9 (TRVA TIF) pursuant to the TRVA Project Plan. Having met its \$26.6 million commitment to the TRV Project, the City will be reimbursed the sanitary sewer amount of \$244,271.03 by Tarrant Regional Water District (TRWD) upon completion, in accordance with provisions of the executed Interlocal Agreement between the City and the TRWD (City Secretary Contract No. 43425 as amended). The TRV Program Manager in the FW Lab Department will be responsible for collecting the full reimbursement from TRWD at the end of each Fiscal Year.

Business Equity – S.J. Louis Construction of Texas, LTD agrees to maintain its initial M/WBE commitment of 17 percent that it made on the original contract and extend and maintain that same M/WBE commitment of 17 percent to this first change order. Therefore S.J. Louis Construction of Texas, LTD remains in compliance with the City's M/WBE Ordinance and attests to its commitment by signature on the Acceptance of Previous M/WBE Commitment form executed by an authorized representative of its company.

This project is located in COUNCIL DISTRICT 2.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the 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 FWCC Water & Sewer Relocations project to support the approval of the above recommendations and execution of the change order. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

Submitted for City Manager's Office by: Jessica McEachern 5804

Originating Business Unit Head: Chris Harder 5020

Additional Information Contact: Liam Conlon 6824