

# Mayor and Council Communication

DATE: 11/08/22

M&C FILE NUMBER: M&C 22-0886

LOG NAME: 60WESTSIDE III/IV/V WATERMAINSP2- KHA & MCKEE

**SUBJECT**

(CD 3) Authorize Execution of Amendment No. 1 in the Amount of \$307,885.00 to an Engineering Agreement with Kimley-Horn Associates, Inc., for Westside IV Elevated Water Storage Tank and Transmission Main Project, Authorize Execution of a Contract with McKee Utility Contractors, Inc. in the Amount of \$8,081,011.00 for Westside IV Elevated Water Storage Tank and Transmission Main Project, Provide for Total Project Costs in the Amount of \$11,009,481.00, Authorize Acceptance of Funds from Walsh Ranches Limited Partnership in the Amount of \$324,256.00, 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 Amendment No. 1 to City Secretary Contract No. 55971 in the amount of \$307,885.00, an Engineering Agreement with Kimley-Horn Associates, Inc., for construction support services for Westside IV Elevated Water Storage Tank and Transmission Main project (City Project No. 103292) for a revised contract amount of \$1,678,150.00;
2. Authorize execution of a contract with McKee Utility Contractors, Inc. in the amount of \$8,081,011.00 for the Westside IV Elevated Water Storage Tank and Transmission Main project (City Project No. 103292);
3. Authorize the acceptance of funds from Walsh Ranches Limited Partnership in the amount of \$324,256.00 (CSC 58178);
4. Adopt attached appropriation ordinance increasing estimated receipts and appropriations in the Water and Sewer Capital Projects Fund in the amount of \$324,256.00, received from Walsh Ranches Limited Partnership, for the purpose of providing funding for the Westside IV Elevated Water Storage Tank and Transmission Main project (City Project No. 103292);
5. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Westside IV Elevated Water Storage Tank and Transmission Main project; and
6. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Westside IV Elevated Water Storage Tank and Transmission Main project (City Project No. 103292) in the amount of \$8,853,934.00 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:**

On June 22, 2021, Mayor and Council Communication (M&C) 21-0482, the City Council authorized an engineering agreement with Kimley-Horn Associates, Inc., (City Secretary Contract No. 55971), in the amount of \$1,370,265.00 to prepare plans and specifications for the construction of Westside IV Elevated Water Storage Tank and 36 inch Water Transmission Main.

The purpose of this M&C is to authorize execution of Amendment No. 1 to City Secretary Contract No. 55971 in the amount of \$307,885.00, an Engineering Agreement with Kimley-Horn Associates, Inc., for construction support services for Westside IV Elevated Water Storage Tank and Transmission Main project (City Project No. 103292) for a revised contract amount of \$1,678,150.00 and execution of a contract with McKee Utility Contractors, Inc. in the amount of \$8,081,011.00 for the Westside IV Elevated Water Storage Tank and Transmission Main project (City Project No. 103292).

As part of Amendment No. 1, the Engineer will provide construction phase services, additional pipeline design, additional survey services, surge analysis for the Westside IV and V water transmission mains and dividing the project into two parts to accelerate completion of the project.

The project was advertised for bid on August 18 and 25, 2022, in the *Fort Worth Star-Telegram*. On September 15, 2022, the following bids were received:

Bidder	Base Bid	Additive Alternate Bid	Total Bid	Contract Time
McKee Utility Contractors, Inc.	\$7,756,755.00	\$324,256.00	\$8,081,011.00	325 Calendar Days
Mountain				

Cascade of Texas, LLC	\$9,056,478.00	\$331,321.00	\$9,387,799.00	
S.J. Louis Construction of Texas, Ltd.	\$9,769,061.41	\$313,974.51	\$10,083,035.92	
Harper Brothers Construction, LLC	\$10,927,114.72	\$351,758.13	\$11,278,872.85	
Reyes Group, Ltd.	\$11,199,114.00	\$647,774.00	\$11,846,888.00	

Walsh Ranches Limited Partnership (WRLP), pursuant to a previously executed Developer Fundign Agreement (CSC 58178), has contributed the amount of \$324,256.00 to pay for the cost of the Additive Alternate Bid which consists of two 16-inch and one 24-inch stub out as requested by WRLP during the design of this project.

In addition to the contract cost, \$517,808.00 is required for project management and inspection and \$271,486.00 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.

Funding is budgeted in the W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Westside IV Elevated Water Storage Tank and Transmission Main project project.

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, 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:

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Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56021- W&S Commercial Paper	103292 - WSIV Elevated WST & Trans Main	\$0.00	This M&C	\$8,853,934.00	\$8,853,934.00
56002- Water & Sewer Capital Projects Fund	103292 - WSIV Elevated WST & Trans Main	\$0.00	This M&C	\$324,256.00	\$324,256.00

Funding for the WS IV Elevated WST & Trans Main project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
W&S Rev Bonds Series 2022 Fund 56020	\$1,831,291.00	\$0.00	\$1,831,291.00
W&S Commercial Paper Fund 56021	\$0.00	\$8,853,934.00	\$8,853,934.00

W&S Capital Projects Fund 56002	\$0.00	\$324,256.00	\$324,256.00
<b>Project Total</b>	\$1,831,291.00	\$9,178,190.00	\$11,009,481.00

\*Numbers rounded for presentation purposes.

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

Business Equity - Kimley-Horn Associates, Inc. (KHA) agrees to maintain its initial M/WBE commitment of 10 percent that it made on the original agreement and extend and maintain that same M/WBE commitment of 10 percent to this first amendment. Therefore Kimley-Horn Associates, Inc. (KHA) remains in compliance with the City's Business Equity Ordinance and attests to its commitment by its signature on the Acceptance of Previous M/WBE commitment form executed by an authorized representative of its company.

The project is located in COUNCIL DISTRICT 3.

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**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 Funds for the WSIV Elevated WST & Trans Main project to support the approval of the above recommendations and execution of the amendment to the engineering contract and 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

**Additional Information Contact:** Farida Goderya 8214

Expedited