

Mayor and Council Communication

DATE: 06/27/23

M&C FILE NUMBER: M&C 23-0534

LOG NAME: 60NSIVEST-NEELS

SUBJECT

(CD 10) Authorize Execution of an Engineering Agreement with Neel-Schaffer, Inc. in the Amount of \$500,701.00 for the Northside IV Elevated Storage Tank project, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinance to Effect a Portion of Water’s Contribution to Fiscal Years 2023-2027 Capital Improvement Program

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of an engineering agreement with Neel-Schaffer, Inc. in the amount of \$500,701.00 for the Northside IV Elevated Storage Tank;
2. Adopt the attached Resolution expressing official intent to reimburse expenditures with proceeds of future debt for the Northside IV Elevated Storage Tank Project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by increasing appropriations in the Northside IV Elevated Storage Tank Project (City Project No. 104291) in the amount of \$680,876.00 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:

This Mayor and Council Communication is to authorize the preparation of plans and specifications for the construction of Northside IV Elevated Storage Tank.

Due to increased development in the Northside IV service area, it is necessary to install an elevated storage tank to provide increased capacity and delivery reliability to future customers.

Neel-Schaffer, Inc. proposes to provide all the necessary design and construction administration services for a fee of \$500,701.00. Staff considers the proposed fee to be fair and reasonable for the scope of services proposed.

In addition to the contract amount, \$180,175.00 is required for project management, real property acquisitions, and utility coordination. This project will have no impact on the Water Department 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, 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 2023-2027 Capital Improvement Program, as follows:

60NSIVEST-NEELS

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/ Decrease)	Revised FY2023 Budget
Fund 56022 – Commercial Paper	104291 – Northside IV EST	\$0.00	This M&C	\$680,876.00	\$680,876.00

Funding for the Northside IV Elevated Storage Tank Project is depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
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Commercial Paper – Fund 56022	\$0.00	\$680,876.00	\$680,876.00
Project Total	\$0.00	\$680,876.00	\$680,876.00

*Numbers rounded for presentation purposes.

Funding is available in Water Department's W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Northside IV Elevated Storage Tank project.

Business Equity: Neel-Schaffer, Inc. is in compliance with City's Business Equity Ordinance by committing to 10 percent MWBE participation on this project. The City's MWBE goal on this project is nine percent.

The project is located in COUNCIL DISTRICT 10.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds will be available after the sale of Water and Sewer bonds in 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 Northside IV EST project to support the above recommendations and execution of the contract. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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Expedited