

Mayor and Council Communication

DATE: 04/07/20

M&C FILE NUMBER: M&C 20-0165

LOG NAME: 60NTESEG3AA5-KHA

SUBJECT

Authorize Execution of Amendment No. 5 in the Amount of \$279,600.00 to an Engineering Agreement with Kimley-Horn and Associates, Inc., for Design Oversight and Project Management Services on North Tarrant Express Segment 3A, IH-35W from IH-820 to IH-30 Project, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt and Adopt Appropriation Ordinance (COUNCIL DISTRICTS 2, 8 and 9)

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt the attached Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt for Design Oversight and Project Management Services on North Tarrant Express Segment 3A, IH-35W from IH-820 to IH-30 Project;
2. Adopt the attached Appropriation Ordinance increasing estimated receipts and appropriations in the Water & Sewer Commercial Paper Fund in the amount of \$349,600.00 for Design Oversight and Project Management Services on North Tarrant Express Segment 3A, IH-35W from IH-820 to IH-30 Project; and
3. Authorize execution of Amendment No. 5 in the amount of \$279,600.00 to City Secretary Contract No. 43959, an Engineering Agreement with Kimley-Horn and Associates, Inc., for Design Oversight and Project Management Services on North Tarrant Express Segment 3A, IH-35W from IH-820 to IH-30, for a Total Revised Contract in the Amount of \$1,828,000.00 (City Project No. C02011).

DISCUSSION:

Amendment No. 5 will provide additional engineering services to oversee and manage the protection and/or relocation of city water and wastewater facilities within the IH-35 corridor. In 2019, TxDOT expanded its contract with NTEMP to include improvements to the Mark IV Parkway and NE Loop 820 Intersection.

The proposed scope of services consists of:

- Project management
- Plan reviews of drawings provided by the contractor or other engineers.
- Design for water main replacement on NW 28th Street.
- Design for water and sewer main replacement on Mark IV Parkway.
- Construction support services including attend preconstruction meetings, on-site observations, construction progress meetings, and shop drawing reviews
- Project meetings with the City, stakeholders, contractors, other consultants, and citizens

On June 23, 2009, Texas Department of Transportation (TxDOT) entered into a 10-year Agreement with North Tarrant Express Mobility Partners (NTEMP) to identify and construct highway improvements in the northeastern part of Tarrant County including portions of the I-35W, I-20, and SH-183 corridors within the City. On October 23, 2012 (M&C C-25942) the City Council authorized an Engineering Agreement with Kimley-Horn and Associates, Inc., in the amount of \$698,700.00 for design oversight and project management services on North Tarrant Express Segment 3A on IH-35W from IH-820 to IH-30. The Agreement was subsequently revised by Amendment No. 1 for a revised scope at no additional cost, administratively authorized September 18, 2013, Amendment No. 2 in the amount of \$49,700.00 administratively authorized on July 28, 2014, Amendment No. 3 in the amount of \$400,000.00 authorized September 29, 2015 (M&C C-27487) and Amendment No. 4 in the amount of \$400,000.00 authorized September 20, 2016 (M&C C-27935).

In addition to the amendment cost, \$70,000.00 (Water: \$40,000.00; Sewer: \$30,000.00) is required for Project Management and inspection.

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. To the extent resources other than the Water and Sewer portfolio are used to provide interim financing, the Water and Sewer Fund will be charged interest that is equivalent to the overall rate of return being earned by the City portfolio (currently approximately one-percent annually). Should the City's portfolio not support the liquidity needed to provide an interim short-term financing source, another funding source will be required, which could mean issuance of securities under the CP Program or earlier issuance of Water and Sewer revenue bonds than is currently planned. 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.

The City Council adopted the Water Department's Fiscal Year 2019-2023 Five Year Capital Improvement Plan on September 18, 2018. This City Council adopted plan includes this specific project, with funding identified through the CP program to be reimbursed with future revenue bonds. In accordance with the provisions of the Financial Management Policy Statement, Staff anticipates presenting revenue-supported debt issuances to

the City Council for consideration within the next three years. This debt must be issued within approximately three years to provide reimbursement for these expenses. If that does not occur, the costs will no longer be reimbursable by issuing tax-exempt debt and the funding source will have to be made whole through budgetary methods. Adoption of this resolution does not obligate the City to sell bonds, but preserves the ability to reimburse the City from tax-exempt bond proceeds.

The Water and Sewer Commercial Paper Fund includes authority of \$150,000,000.00 for the purpose of providing interim funding for Water and Sewer Capital Projects. After this transfer, the balance will be \$31,861,475.00 for future capital projects. Funding for the Design Oversight and Project Management Services on North Tarrant Express Segment 3A, IH-35W from IH-820 to IH-30 project is as depicted below:

FUND	Existing Appropriations	Additional Appropriations	Project Total*
Water Capital Fund 59601	\$2,125,855.00	\$0.00	\$2,125,855.00
Sewer Capital Legacy - Fund 59607	\$602,249.00	\$0.00	\$602,249.00.00
Water and Sewer Bond 2015A 56007	\$400,000.00	\$0.00	\$400,000.00
Water and Sewer Bond 2016 56005	\$1,655,208.00	\$0.00	\$1,655,208.00
W&S Commercial Paper - Fund 56017	\$0.00	\$349,600.00	\$349,600.00
Project Total	\$4,783,312.00	\$349,600.00	\$5,132,912.00

* Numbers rounded for presentation

M/WBE OFFICE: Kimley-Horn and Associates, Inc., is in compliance with the City's BDE Ordinance by committing to five percent SBE participation on this Amendment No. 5. The City's MBE goal on this Amendment is five percent.

The project is located in COUNCIL DISTRICTS 2, 8 and 9.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the Water & Sewer Commercial Paper Fund for the design oversight and project management services in the North Tarrant Express Segment project. Prior to any expenditure being incurred, the Water Department has the responsibility to validate the availability of funds.

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