

# Mayor and Council Communication

DATE: 11/12/24

M&C FILE NUMBER: M&C 24-1005

LOG NAME: 60WSSRFWCCS1P10CO1-CIRCLEC

## SUBJECT

(CD 2) Authorize Execution of Change Order No. 1 in the Amount of \$465,263.00 to the Contract with William J. Schultz, Inc. dba Circle C Construction Company for the Fort Worth Central City Project Water & Sanitary Sewer Main Relocations for the Fort Worth Central City Project, Section 1: Part 10 – Water & Sanitary Sewer Relocations - City Project Trinity River Vision Phase 1, 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 2025-2029 Capital Improvement Program

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## RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of Change Order No. 1 in the amount of \$465,263.00 to City Secretary Contract Number 59387 a contract with William J. Schultz, Inc. dba Circle C Construction Company for the Fort Worth Central City Project Water & Sanitary Sewer Main Relocations for the Fort Worth Central City Project, Section 1: Part 10 – Water & Sanitary Sewer Relocations - City Project Trinity River Vision Phase 1 for a revised contract amount of \$5,459,865.00;
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 & Sewer Relocations project;
3. Adopt the attached appropriation ordinance adjusting appropriations in the Water & Sewer Commercial Paper Fund by decreasing appropriations in the Commercial Paper project (City Project No. UCMLPR) in the amount of \$2,698,901.65 and increasing appropriations in Trinity River Vision, Phase 1 project (City Project No. C00969) by the same amount;
4. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Sewer Capital Legacy Fund by decreasing estimated receipts and appropriations in the Trinity River Vision, Phase 1 (City Project No. C00969) in the amount of \$31,608.79, and increasing estimated receipts and appropriations in the Unspecified All-Funds project (City Project No. UNSPEC) by the same amount for the purpose of substituting funding sources and to make funds available for other eligible Water and Sewer projects;
5. Adopt the attached appropriation ordinance decreasing estimated receipts and appropriations in the Trinity River Vision, Phase 1 (City Project No. C00969) within the Water & Sewer Capital Projects Fund, in the amount of \$22,629.00, for the purpose of substituting of funding sources and to make funds available for other eligible Water and Sewer projects;
6. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water/Sewer Bond 2016 Fund, by decreasing estimated receipts and appropriations in the Trinity River Vision, Phase 1 (City Project No. C00969) in the amount of \$245,930.86, and increasing estimated receipts and appropriations in the Unspecified All-Funds project (City Project No. UNSPEC) by the same amount for the purpose of substituting funding sources to make funds available for other eligible Water and Sewer projects;
7. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water & Sewer Bond 2015A Fund by decreasing estimated receipts and appropriations in the Trinity River Vision, Phase 1 (City Project No. C00969) in the amount of \$1,083,136.00, and increasing estimated receipts and appropriations in the Unspecified All-Funds project (City Project No. UNSPEC) by the same amount for the purpose of substituting funding sources and to make debt proceeds available for other eligible Water and Sewer projects;
8. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water & Sewer Revenue Bonds Series 2021 Fund by decreasing estimated receipts and appropriations in the Trinity River Visions, Phase 1 (City Project No. C00969) in the amount of \$443,312.00, and increasing estimated receipts and appropriations in the Unspecified All-Funds project (City Project No. UNSPEC) by the same amount for the purpose of substituting funding sources to make debt proceeds available for other eligible Water and Sewer projects; and
9. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the Water & Sewer Revenue Bonds Series 2022 Fund by decreasing estimated receipts and appropriations in the Trinity River Vision, Phase 1 (City Project No. C00969) in the amount of \$407,022.00, and increasing estimated receipts and appropriations in the Unspecified All-Funds project (City Project No. UNSPEC) by the same amount for the purpose of substituting funding sources and to make debt proceeds available for other eligible Water and Sewer projects and to effect a portion of Water's contribution to the Fiscal Years 2025-2029 Capital Improvement Program.

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## DISCUSSION:

On April 11th, 2023, by Mayor and Council Communication (M&C) 23-0239 the City Council authorized a construction contract with William J. Schultz, Inc. dba Circle C Construction Company in the amount of \$4,994,602.00 for Fort Worth Central City Project Water & Sanitary Sewer Main Relocations for the Fort Worth Central City Project, Section 1: Part 10 – Water & Sanitary Sewer Relocations - City Project Trinity River Vision Phase 1.

Change Order No. 1 in the amount of \$465,263.00 (Water \$55,575.00, Sewer \$409,688.00) will provide pay items quantities for the following that are necessary on the project: the installation of a 411 foot segment of a project sewer main by hand tunneling in lieu of open cut due to unstable soil material that was encountered during construction on N. Main Street and NE 11<sup>th</sup> Street; the reconstruction of a pavement segment with 8-inch reinforced concrete base and 6-inch asphalt with 11-inch pulverization and 3-inch due to extremely poor condition of the existing pavement; the removal and replacement of existing storm drain structures and curb and gutter that are in direct conflict in with the project sewer main and the replacement of a segment of concrete pavement on Main Street that broke apart during sewer main installation. Staff concurs with the contractor's request for an additional 260 calendar days on the project.

This M&C will fund the part of the contract that is being reimbursed by the Tarrant Regional Water District and decrease appropriations in various Funds accordingly. The original contract amount is \$4,994,602.00 and change order #1 is for \$465,263.00 for a total revised amount of \$5,459,865.00. M&C 60Water FY2023 and FY2024 FWCC Reimbursement, in the 10/29/2024 Council Agenda, has reimbursed a total of \$1,587,899.35 for Sewer charges (\$571,599.21 from Fund 59607 and \$1,016,300.14 from Fund 56005). The City is responsible for \$1,173,064.00 of the total Water costs. For a remaining reimbursable amount of \$2,698,901.65, which is being appropriated in this M&C out of Commercial Paper.

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 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, as follows:

**60WSSRFWCCS1P10CO1-CIRCLEC**

	Current Approp	60WATER FY2023 AND FY2024 FWCC REIMB	60WSSRFWCC S1P10CO1-CIRCLEC	60SWM FWCC GRAND AVE CONSTRUCTION CO2WATER-SJL	Total Approp
<b>56002 W&amp;S Capital Projects</b>	\$ 2,457,887.00	\$ 8,466,851.96	\$ (22,629.00)		\$ 10,902,109.96
<b>56005 Water/Sewer Bond 2016</b>	\$ 6,855,400.00	\$ (4,745,941.62)	\$ (245,930.86)		\$ 1,863,527.52
<b>56007 Water &amp; Sewer Bond 2015A</b>	\$ 6,167,422.45	\$ (2,249,571.96)	\$ (1,083,136.00)		\$ 2,834,714.49
<b>56019 W&amp;S Rev Bonds Series 2021</b>	\$ 443,312.00		\$ (443,312.00)		\$ -
<b>56020 W&amp;S Rev Bonds Series 2022</b>	\$ 407,022.00		\$ (407,022.00)		\$ -
<b>56023 W&amp;S Commercial Paper</b>	\$ 1,518,400.00	\$ (777,632.61)	\$ 2,698,901.65	\$ 253,192.00	\$ 3,692,861.04
<b>39007 Specially Funded Projects</b>	\$ 5,852,657.94				\$ 5,852,657.94
<b>59601 Water Capital</b>	\$ 14,404,708.40	\$ (7,750.00)			\$ 14,396,958.40
<b>59607 Sewer Capital Legacy</b>	\$ 7,769,673.12	\$ (608,873.21)	\$ (31,608.79)		\$ 7,129,191.12
	<b>\$ 45,876,482.91</b>	<b>\$ 77,082.56</b>	<b>\$ 465,263.00</b>	<b>\$ 253,192.00</b>	<b>\$ 46,672,020.47</b>

Funding is budgeted in the Trinity River Vision, Phase 1 project within various Funds and in the Commercial Paper project with in the Water & Sewer Commercial Paper Fund for the purpose of funding the Trinity River Vision, Phase 1.

Funding for Trinity River Visions, Phase 1 are depicted below:

Capital Fund Name	Project Name	FY2025 CIP Appropriations	Authority	Budget Change (Inc/Dec) 60WATER FY2023 AND FW2024 FWCC REIMB	Budget Change (Inc/Dec) 60WSSRFWCC S1910CO1-CIRCLE C	Budget Change (Inc/Dec) 60SWM FWCC GRAND AVE CONSTRUCTION CO2 WATER-SJL	Revised FY2025 Budget
56002 - Water & Sewer Capital Projects Fund	C00969 - Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #3	\$8,466,851.96			\$8,466,851.96
			M&C 60 WSSRFWCCS1P10CO1-CIRCLE C		(\$22,629.00)		(\$22,629.00)
	C00969						

56005 – Water/Sewer Bond 2016	– Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #5	(\$880,824.03)			(\$880,824.03)
		\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #5	(\$3,865,117.59)			(\$3,865,117.59)
			M&C 60 WSSRFWCCS1P10CO1-CIRCLE C		(\$245,930.86)		(\$245,930.86)
56007 – Water & Sewer Bond 2015A	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #6	(\$2,249,571.96)			(\$2,249,571.96)
			M&C 60 WSSRFWCCS1P10CO1-CIRCLE C		(\$1,083,136.00)		(\$1,083,136.00)
56019 - W&S Rev Bonds Series 2021			M&C 60 WSSRFWCCS1P10CO1-CIRCLE C		(\$443,312.00)		(\$443,312.00)
56020-W&S Rev Bonds Series 2022			M&C 60 WSSRFWCCS1P10CO1-CIRCLE C		(\$407,022.00)		(\$407,022.00)
56023 – Commercial Paper	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #4	(\$777,632.61)			(\$777,632.61)
			M&C 60 WSSRFWCCS1P10CO1-CIRCLE C		\$2,698,901.65		\$2,698,901.65
			60SWM FWCC GRAND AVE CONSTRUCTIONCO2WATER-SJL			\$253,192.00	\$253,192.00
59601 – Water Capital	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #7	(\$7,750.00)			(\$7,750.00)
59607 – Sewer Capital Legacy	C00969 – Trinity River Vision, Phase 1	\$0.00	M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #8	(\$37,274.00)			(\$37,274.00)
			M&C 60WATER FY2023 AND FY2024 FWCC REIMB Recom #8	(\$571,599.21)			(\$571,599.21)
			M&C 60 WSSRFWCCS1P10CO1-CIRCLE C		(\$31,608.79)		(\$31,608.79)
				<b>\$77,082.56</b>	<b>\$465,263.00</b>	<b>\$253,192.00</b>	<b>\$795,537.56</b>

A portion of the water line in the amount of \$55,575.00 of this Change Order is considered Trinity River Vision (TRV)-relocated work. The sanitary sewer \$409,688.00 amount of this Change Order is considered (TRV)-related work, 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 water line amount of \$81,175.00 and the sanitary sewer amount of \$4,205,626.00 by Tarrant Regional Water District (TRWD) on an annual basis, 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.

**\*Numbers rounded for presentation purposes.**

**Business Equity** – William J. Schultz, Inc. dba Circle C Construction Company, has agreed/committed to maintain its initial Business Equity participation commitment of 12.13 percent that was made on the original agreement. William J. Schultz, Inc. dba Circle C Construction Company, has also agreed to commit to all prior change order/s up to and inclusive of this Change Order No. Therefore, William J. Schultz, Inc. dba Circle C Construction Company, 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.

This project is located in COUNCIL DISTRICT 2.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are available in the Commercial Paper project within the W&S Commercial Paper Fund and in the Trinity River Vision, Phase 1 project within W&S Capital Projects, Water/Sewer Bond 2016, Water & Sewer Bond 2015A, W&S Rev Bonds Series 2021, W&S Rev Bonds Series 2022 and Sewer Capital Legacy Funds, 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, for the Trinity River Vision, Phase 1 project to support the above recommendations and execution of the change order. Prior to any expenditures being incurred, the Water Department has the responsibility of verifying the availability of funds.

**Submitted for City Manager's Office by:** William Johnson 5806

**Originating Business Unit Head:** Chris Harder 5020

**Additional Information Contact:** Liam Conlon 6824