

Mayor and Council Communication

DATE: 06/27/23

M&C FILE NUMBER: M&C 23-0520

LOG NAME: 60WESTSIDE IV ELEVATED STORAGE TANK – LANDMARK

SUBJECT

(CD 3) Authorize Execution of a Contract with Landmark Structures I, LP, in the Amount of \$5,670,000.00 for Construction of Westside IV Elevated Storage Tank, Provide for Project Costs, for a Project Total in the Amount of \$6,242,147.00, Adopt Resolution Expressing Official Intent to Reimburse Expenditures with Proceeds of Future Debt, and Adopt Appropriation Ordinance

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a contract with Landmark Structures I, LP, in the amount of \$5,670,000.00 for the Westside IV Elevated Storage Tank project;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Westside IV Elevated Storage Tank and Transmission Mains project (City Project No. 103292); and
3. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the amount of \$6,242,147.00 in the Westside IV Elevated Storage Tank and Transmission Mains project (City Project No. 103292) and decreasing appropriations in the W&S Commercial Paper project (City Project No. UCMLPR) by the same amount.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of a contract with Landmark Structures I, LP in the amount of \$5,670,000.00 for the Westside IV Elevated Storage Tank project.

The project was advertised for bid on March 23 and 30, 2023, in the *Fort Worth Star-Telegram*. On April 20, 2023, the following bids were received:

Bidder	Base Bid	Base Bid + Alternate 1 (Polyurethane Interior Coating)	Base Bid + Alternate 2 (Epoxy Interior Coating)	Contract Time
Landmark Structures I, LP	\$5,262,000.00	\$5,670,000.00	\$5,660,000.00	480 Calendar Days
Phoenix Fabricators and Erectors, LLP	\$6,661,000.00	\$6,744,000.00	\$6,746,000.00	

*Staff recommends award of contract for the base bid & Alternate 1 option.

In addition to the contract cost, \$402,047.00 is required for project management and inspection and \$170,100.00 is provided for project contingency.

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:

60Westside IV Elevated Storage Tank and Transmission Main – Landmark

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
56022 - W&S Commercial Paper	103292 - WSIV Elevated WST& Trans Main	\$0.00	This M&C	\$6,242,147.00	\$6,242,147.00

Funding for the Westside IV Elevated Storage Tank and Transmission 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 Rev Bonds Series 2023 - Fund 56021	\$8,853,934.00	\$0.00	\$8,853,934.00
W&S Commercial Paper - Fund 56022	\$0.00	\$6,242,147.00	\$6,242,147.00
W&S Capital Projects - Fund 56002	\$324,256.00	\$0.00	\$324,256.00
Project Total	\$11,009,481.00	\$6,242,147.00	\$17,251,628.00

*Numbers rounded for presentation purposes.

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 Storage Tank and Transmission Main project.

Business Equity – Landmark Structures I, LP is in compliance with City’s Business Equity Ordinance by committing to six percent MWBE participation on this project. The City’s MWBE goal on this project is five percent.

The project is located in COUNCIL DISTRICT 3.

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 ordinance, funds will be available in the W&S Commercial Paper Fund 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. 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