

# Mayor and Council Communication

**DATE:** 05/23/23

**M&C FILE NUMBER:** M&C 23-0408

**LOG NAME:** 60VCWRFPCCLARIFIERFD-CDM

**SUBJECT**

(CD 5 / Future CD 5) Authorize Execution of Amendment No.1 in the Amount of \$3,712,425.00 to an Engineering Agreement with CDM Smith, Inc., for the Final Design of the Village Creek Water Reclamation Facility Primary Clarifiers Replacement Phase 1 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 the Fiscal Years 2023-2027 Capital Improvement Program

**RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize execution of Amendment No. 1 in the amount of \$3,712,425.00 to City Secretary Contract No. 56501, an Engineering Agreement with CDM Smith, Inc., for the final design of the Village Creek Water Reclamation Facility Primary Clarifier Replacement Phase 1 project for a revised contract amount of \$5,145,425.00;
2. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Village Creek Water Reclamation Facility Primary Clarifiers Replacement Phase 1 project; and
3. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Village Creek Water Reclamation Facility Primary Clarifiers Replacement Phase 1 project (City Project No.103295) in the amount of \$4,035,605.00 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:**

Village Creek Water Reclamation Facility (VCWRF) currently has 18 primary clarifiers, consisting of 12 small 80-foot diameter clarifiers and 6 large 160-ft diameter clarifiers, located in the southeast corner of the plant. The 12 small primary clarifiers, which were constructed in 1956, 1963, and 1971, have outlived their useful lives and are in need of replacement.

On September 28, 2021, Mayor and Council Communication (M&C 21-0767) the City Council authorized an engineering agreement with CDM Smith, Inc., (City Secretary Contract No. 56501) in the amount of \$1,433,000.00 for process evaluation, technical memos, preliminary design, cost estimates, and assessment of additional/improvement infrastructure necessary for the replacement of Primary Clarifiers 1-12.

Amendment No. 1 includes the additional scope and fee to complete the final design, including plans and specifications for the replacement of the 12 small 80-foot Primary Clarifiers and necessary improvements along with additions to the infrastructure.

CDM Smith, Inc., is proposing to perform the necessary engineering design work for the VCWRF Primary Clarifier Replacement for a fee not to exceed \$3,712,425.00. Staff considers this fee to be fair and reasonable.

In addition to the contract amount, \$323,180.00 is required for project management and material testing.

This project will have no impact on the Water Department's 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 amend the City of Fort Worth's Fiscal Year 2023-2027 Capital Improvement Program as follows:

**60VCWRFPCCLARIFIERP1FD-CDM**

Capital Fund Name	Project Name	FY2023 CIP Appropriations	Authority	Budget Change (Increase/Decrease)	Revised FY2023 Budget
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56022 - W&S Commercial Paper	103295 VC Primary Clarifies REPLPH1	\$0.00	This M&C	\$4,035,605.00	\$4,035,605.00
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Funding will be budgeted in the W&S Commercial Paper project within the W&S Commercial Paper Fund for the purpose of funding the Village Creek Water Reclamation Facility Primary Clarifiers Replacement Phase 1 project after the sale of Water and Sewer bonds is completed..

Funding for the Village Creek Water Reclamation Facility Primary Clarifiers Replacement Phase 1 project:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
Fund 56022 - W&S Commercial Paper -	\$0.00	\$4,035,605.00	\$4,035,605.00
W&S Rev Bonds Series 2022- Fund 56020	\$1,623,300.00	\$0.00	\$1,623,300.00
<b>Project Total</b>	<b>\$1,623,300.00</b>	<b>\$4,035,605.00</b>	<b>\$5,658,905.00</b>

\*Numbers rounded for presentation purposes.

Business Equity: CDM Smith, Inc., 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 CDM Smith, Inc. 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 VCWRF serves ALL COUNCIL DISTRICTS and is physically located in COUNCIL DISTRICT 5 and FUTURE COUNCIL DISTRICT 5.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds will be available after the sale of Water and Sewer bonds is completed in the UCMLPR 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 VC Primary Clarifier REPL PH1 project to support the approval of the above recommendations and execution of the agreement. Prior to any 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

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