

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 05/23/23 M&C FILE NUMBER: M&C 23-0410

LOG NAME: 60VCWRF ADDITIONAL GAS BIOSOLIDS – RCONST&HALFF

SUBJECT

(CD 5 / Future CD 5) Authorize Execution of a Contract with R Construction Civil, LLC in the Amount of \$4,828,791.50 for the Village Creek Water Reclamation Additional Gas Line for Biosolids Drying Facility Project, Authorize Execution of Amendment No. 1 in the Amount of \$248,775.00 to an Engineering Agreement with Halff Associates, Inc. for the Village Creek Water Reclamation Additional Gas Line for Biosolids Drying Facility Project, Provide for Total Project Costs in the Amount of \$5,619,233.00, 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 a contract with R Construction Civil, LLC in the amount of \$4,828,791.50 for the Village Creek Water Reclamation Additional Gas Line for Biosolids Drying Facility project (City Project No. 103011);
2. Authorize execution of Amendment No. 1 in the amount of \$248,775.00 to an engineering agreement with Halff Associates, Inc. for construction phase services for the Village Creek Water Reclamation Additional Gas Line for Biosolids Drying Facility project (City Project No. 103011) for a revised contract amount of \$565,455.00;
3. Adopt the attached resolution expressing official intent to reimburse expenditures with proceeds from future debt for the Village Creek Water Reclamation Additional Gas Line for Biosolids Drying Facility project; and
4. Adopt the attached appropriation ordinance adjusting appropriations in the W&S Commercial Paper Fund by increasing appropriations in the Village Creek Water Reclamation Additional Gas Line for Biosolids Drying Facility project (City Project No. 103011) in the amount of \$5,619,233.00 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:

The purpose of this Mayor and Council Communication (M&C) is to authorize execution of a contract with R Construction Civil, LLC in the amount of \$4,828,791.50 for the Village Creek Water Reclamation (VCWRF) Additional Gas Line for Biosolids Drying Facility project (City Project No. 103011) and authorize execution of Amendment No. 1 to City Secretary Contract No. 56388, an engineering agreement with Halff Associates, Inc., in the amount of \$248,775.00 for construction support services for the VCWRF Additional Gas Line for Biosolids Drying Facility project (City Project No. 103011) for a revised contract amount of \$565,455.00.

On August 24, 2021, M&C 20-0622, the City Council authorized an engineering agreement with Halff Associates, Inc., (City Secretary Contract No. 56388), in the amount of \$316,680.00 for the design of a biogas pipeline. The biogas pipeline will convey digester gas from VCWRF to the biosolids drying facility for use as a supplemental fuel source for the new biosolids dryer. Amendment No. 1, will provide compensation for additional design on the project as well as construction phase services consisting of contractor submittal review, technical assistance, and site visits.

The project was advertised for bid on January 12, 2022 and January 19, 2022, in the *Fort Worth Star-Telegram*. On April 13, 2023 the following bids were received:

| Bidder | Total Base Bid | Base Bid + Alternate A | Contract Time |
|-------------------------------|----------------|------------------------|-------------------|
| R Construction Civil, LLC | \$4,828,791.50 | \$4,810,791.50 | 365 Calendar Days |
| Driver Pipeline Company, Inc. | \$6,590,354.95 | \$6,578,145.40 | |

*Staff recommends award of contract for the Base Bid.

In addition to the contract cost, \$348,514.00 is required for project management, inspection, and materials testing, and \$193,152.00 is provided for project contingency.

This project will have no impact on the Water Department's operating budget when complete.

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.

60VCWRF ADDITIONAL GAS BIOSOLIDS – RCONST&HALFF

| Capital Fund Name | Project Name | FY2023 CIP Appropriations | Authority | Budget Change (Increase/Decrease) | Revised FY2023 Budget |
|------------------------------|--|---------------------------|-----------|-----------------------------------|-----------------------|
| 56022 - W&S Commercial Paper | 103011 – ADD. VA Dryer Facility Gas line | \$0.00 | This M&C | \$5,619,233.00 | \$5,619,233.00 |

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 the 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.

Funding for the Additional Gas Line for Proposed Biosolids Facility project is depicted below:

| Fund | Existing Appropriations | Additional Appropriations | Project Total* |
|--|-------------------------|---------------------------|----------------|
| W&S Rev Bonds Series 2022 - Fund 56020 | \$441,711.00 | \$0.00 | \$441,711.00 |
| W&S Commercial Paper - Fund 56022 | \$0.00 | \$5,619,233.00 | \$5,619,233.00 |
| Project Total | \$441,711.00 | \$5,619,233.00 | \$6,060,944.00 |

*Numbers rounded for presentation purposes.

Business Equity – R Construction Civil, LLC - R Construction Civil LLC is in compliance with the City's Business Equity Ordinance by committing to 6 percent participation on this project. The City's goal on this project is 5 percent.

Business Equity – Halff Associates, 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 all prior amendments up to and inclusive of this Amendment No. 1. Therefore Halff Associates, Inc. remains in compliance with the City's M/WBE 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 project is 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 the Water and Sewer bonds 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 ADD VC Dryer Facility Gasline project to support the approval of the above recommendations and execution of the contract and amendment to the agreement. Prior to an expenditure being incurred, the Water Department has the responsibility of verifying the availability of funds.

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