

Agenda Information Sheet

DEPARTMENT: **Capital Projects**

CM/ ACM: **Mario Canizares**

Date: **July 18, 2017**

SUBJECT

..Title

Consider adoption of an Ordinance of the City of Denton, Texas, authorizing the City Manager, or his designee, to execute an Advanced Funding Agreement, in a form substantially similar as attached hereto as Exhibit 2 and in the approximate amount of \$2,824,714.59 (amount to be finalized after bids are opened), by and between the State of Texas, acting through the Texas Department of Transportation (the “State”) and the City of Denton (the “City”), regarding water and wastewater utility improvements associated with the FM 2181 roadway widening project, located between FM 2499 and Lillian Miller Parkway and within the City of Denton.

..Body

BACKGROUND

The FM 2181 (Teasley Lane) road widening project requires the City of Denton to relocate several existing water and wastewater utility lines which are in conflict with the proposed roadway improvements. Through an Advanced Funding Agreement, the State provides a way for utility operators to have their relocation work incorporated into the scope of a State project so that the work is performed under the supervision and coordination of the State’s construction contractor. The City has elected to utilize this type of agreement for the FM 2181 project so as to allow the State to bid the contract during the 2017 Fiscal Year.

The Agreement sets out the terms and conditions for payment by the City to the State for the utility relocation portion of the work. The City will pay the State a one-time lump sum based upon the non-reimbursable portion of the utility bid items received by the State through its bidding process. Percentages for reimbursable versus non-reimbursable work have already been established and agreed to by the City and the State. For the FM 2181 project, the reimbursement percentage for Water is 81% while the reimbursement percentage for Wastewater is 12%.

The lump sum payment specified by the Agreement includes amounts to be paid to the State to cover barricades, mobilization and contingency costs incurred by their contractor during the project. A breakdown of the costs is shown in Attachment B of the Agreement. The total shown in Attachment B is meant to set the maximum payment liability for the City on this project. However, if the City elects to add work through a change order then the City would be responsible for paying those costs in addition to the amount already furnished to the State through the Agreement.

OPTIONS

1. Recommend adoption of an Ordinance approving the Agreement to permit the State’s contractor to do the utility improvements associated with the FM 2181 road widening project on behalf of the City.
2. Recommend rejection of an Ordinance approving the Agreement. Rejection will require the City to bid the utility improvements associated with the FM 2181 road widening project as a separate project. This will delay the State’s road project by approximately 18 months and could lead to the State pulling the funding for the road project.

RECOMMENDATION

Recommend adoption of an Ordinance approving the Agreement. The Agreement will allow the FM 2181 road widening project to proceed on schedule.

ESTIMATED SCHEDULE OF PROJECT

August 2017 through August 2019

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Public Utilities Board on July 10, 2017 – PUB recommended adoption of an Ordinance approving the Advanced Funding Agreement.

FISCAL INFORMATION

The Agreement requires a one-time lump sum payment from the City. The amount will be determined from the final bid item costs received through the State's bidding process. The lump sum amount shall be drawn existing water and wastewater bond funds. The water project fund number is 630081523. The wastewater project fund number is 640052545.

BID INFORMATION

To be supplied when the bids are received.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Public Infrastructure**

Related Goal: **1.6 Collaborate with local, regional, state, and federal partners**

EXHIBITS

1. AIS
2. Advanced Funding Agreement between the State of Texas and City of Denton
3. Ordinance
4. Presentation for City Council

Respectfully submitted:
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