



## Legislation Details (With Text)

**File #:** 3235-2022      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 11/14/2022      **In control:** Public Utilities Committee

**On agenda:** 12/12/2022      **Final action:** 12/14/2022

**Title:** To authorize the Director of Public Utilities to enter into an agreement for General Engineering Services for the Fourth Water Plant Transmission Main CIP 690502-100001 with MS Consultants Inc. and to apply, accept, and enter into a Water Supply Revolving Loan Account loan agreement with the Ohio Water Development Authority and Ohio Environmental Protection Agency for the financing thereof and designate a dedicated source of repayment for the loan; to authorize the appropriation and transfer of \$5,399,068.91 from the Water System Reserve Fund to the Water Supply Revolving Loan Account Fund; to authorize the appropriation and expenditure of \$5,399,068.91 within the Water Supply Revolving Loan Account Fund; and to authorize an amendment to the 2022 Capital Improvements Budget; and to declare an emergency. (\$5,399,068.91)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ord 3235-2022 Information, 2. Ord 3235-2022 Utilization, 3. 690502-100001 Vicinity Map, 4. Ord 3235-2022 Funding

| Date       | Ver. | Action By             | Action   | Result |
|------------|------|-----------------------|----------|--------|
| 12/14/2022 | 1    | CITY CLERK            | Attest   |        |
| 12/13/2022 | 1    | MAYOR                 | Signed   |        |
| 12/12/2022 | 1    | COUNCIL PRESIDENT     | Signed   |        |
| 12/12/2022 | 1    | Columbus City Council | Approved | Pass   |

**1. BACKGROUND:** This legislation authorizes the Director of Public Utilities to enter into a contract for engineering consulting services for the design of a water distribution transmission main that will be constructed in conjunction with the construction of the City’s future fourth water plant and to apply for, accept, and enter into a Water Supply Revolving Loan Account Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency for the financing thereof. The transmission main will extend from the fourth water plant located at 5992 Home Road, Delaware, OH 43015, to a connection point in the City’s existing water distribution system, specifically the Cleveland/Henderson pressure district. (CIP # 690502-100001)

The majority of the transmission main will be located outside the City of Columbus. The portion within the City of Columbus will be located within the Hayden Run Planning Area.

The initial contract, Phase 1, will be for preliminary design services. There are two planned contract modifications. The first contract modification will be for Phase 2, detailed design services. The second contract modification will be for Phase 3, engineering services during construction.

The Water Supply Revolving Loan Account (WSRLA) loan program requires legislation to authorize the Director of Public Utilities to execute the loan agreement for this project as identified in Section 2, under the direction of the Division of Water (DOW). This loan program is jointly administered by the Ohio EPA’s Division of Environmental and Financial Assistance (DEFA) and the Ohio Water Development Authority (OWDA). The WSRLA program provides below-market interest rate loans for municipal water system improvements.

The applicable Loan Administration Fees will be rolled into the loan upon execution of the Loan Agreement. The WSRLA loan will be paid off over a 20-year period from water service fees (the dedicated source of repayment). Water service rate increases have been projected and planned in anticipation of this project and loan.

Planning area = "99-Citywide"

**TIMELINE & FUTURE RENEWAL(S):** The duration of the initial contract for Phase 1 - Preliminary Design Services is 18 months and is expected to begin in January, 2023. Phase 2 - Detailed Design Services (Modification No. 1) is expected to have a duration of approximately 24 months. Phase 3 - Engineering Services during Construction (Modification No. 2) is expected to have a duration of approximately 28 months. December, 2028 is the estimated ending date of the agreement based on the total term.

**ESTIMATED COST OF PROJECT:**

Cost summary:

|  |                                    |
|--|------------------------------------|
| Original Contract - Preliminary Design                   | \$ 5,399,068.91                    |
| Modification No. 1 - Detailed Design                     | \$ 8,000,000.00 (estimated)        |
| <u>Modification No. 2 - Services during Construction</u> | <u>\$ 2,500,000.00 (estimated)</u> |
| <b>ESTIMATED CONTRACT TOTAL:</b>                         | <b>\$15,899,068.91 (estimated)</b> |

Planning area = "99-Citywide"

**2. ECONOMIC IMPACT/ADVANTAGES; COMMUNITY OUTREACH; PROJECT DEVELOPMENT; ENVIRONMENTAL FACTORS/ADVANTAGES OF PROJECT:**

This project has been scoped with a significant public outreach program. This outreach program will include public meetings, advisory group briefings for stakeholders, development of a project website, fact sheets, pop-up engagement at neighborhood gatherings, e-newsletters, social media posts, and news releases.

**3. BID INFORMATION:** The selection of the firm providing the professional engineering services has been performed in accordance with the procedures set forth in Columbus City Code, Section 329, "Awarding professional service contracts through requests for proposals."

Requests for Proposals (RFP's) were opened on July 14, 2022. Four bids were received.

1. MS Consultants Inc.
2. DLZ Ohio, Inc.
3. T&M Associates
4. S & S Engineers, Inc.

An evaluation committee reviewed the proposals and scored them based on the criteria mentioned above. The Department of Public Utilities recommends that an agreement be awarded to MS Consultants Inc.

**4. CONTRACT COMPLIANCE INFO:**

MS Consultants Inc.: 34-6546916, expires 12/28/23, Majority, DAX No. 006988

Searches in the Excluded Party List System (Federal) and the Findings for Recovery list (State) produced no findings against MS Consultants Inc.

**5. EMERGENCY DESIGNATION**

Emergency action is requested to complete the project in a timely manner. This legislation is for a multi-year design project which is on an aggressive completion schedule to meet future anticipated water demands stemming from an increase in manufacturing in Central Ohio. This request will allow the design consultant to start work as soon as possible

to meet these demands.

**6. FISCAL IMPACT:** This Ordinance authorizes the City Auditor to appropriate and transfer funds from the Water System Reserve Fund - Fund No. 6003 to the Water Supply Revolving Loan Account Fund - Fund No. 6011, in order to fund this proposed expenditure. This transaction is a temporary measure that is required until such time as the Division is able to execute a loan with the Water Supply Revolving Loan Account Fund and reimburse the Water System Reserve Fund. The loan is expected to be approved in February 2023. An amendment to the 2022 Capital Improvements Budget will also be necessary.

To authorize the Director of Public Utilities to enter into an agreement for General Engineering Services for the Fourth Water Plant Transmission Main CIP 690502-100001 with MS Consultants Inc. and to apply, accept, and enter into a Water Supply Revolving Loan Account loan agreement with the Ohio Water Development Authority and Ohio Environmental Protection Agency for the financing thereof and designate a dedicated source of repayment for the loan; to authorize the appropriation and transfer of \$5,399,068.91 from the Water System Reserve Fund to the Water Supply Revolving Loan Account Fund; to authorize the appropriation and expenditure of \$5,399,068.91 within the Water Supply Revolving Loan Account Fund; and to authorize an amendment to the 2022 Capital Improvements Budget; and to declare an emergency. (\$5,399,068.91)

**WHEREAS** it is necessary to authorize the Director of Public Utilities to enter into an agreement for professional engineering services with MS Consultants Inc. (FID #34-6546916), for the Fourth Water Plant Transmission Main CIP 690502-100001; and

**WHEREAS**, the Division anticipates two future renewals to this agreement, which will extend the term of this agreement to December 2028; and

**WHEREAS**, it is necessary to both appropriate funds from the Water System Reserve Fund and to authorize the transfer of said funds into the Water Supply Revolving Loan Account Fund in order to temporarily fund this expenditure, until such time as the City is able to execute a loan for the above stated purpose and reimburse the Water System Reserve Fund; and

**WHEREAS**, it is necessary to authorize an expenditure up to \$5,399,068.91 within the WRSLA Fund - Fund No. 6011, for the Division of Water in order to temporarily fund this expenditure until such time as the City receives loan proceeds for the above stated purpose and reimburses the Water System Reserve Fund; and

**WHEREAS**, the City anticipates incurring certain Original Expenditures (as defined in Section 1.150-2(c) of the Treasury Regulations (the "Treasury Regulations" promulgated pursuant to the Internal Revenue Code of 1986, as amended) with respect to the construction of the Project described in this Ordinance (collectively, the "Project"); and

**WHEREAS**, it is necessary to authorize an amendment to the 2022 Capital Improvements Budget for the purpose of providing sufficient funding and expenditure authority for the aforementioned project expenditure; and

**WHEREAS**, the Department of Public Utilities is scheduled to prepare a Loan Application for submittal to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) program to finance the construction of this project under the direction of the Division of Water, the financial assistance for which may be of help in reducing total project costs to the City's water rate payers; and

**WHEREAS**, the low-interest loan will be applied for based upon the availability of funds through the Ohio EPA's WSRLA program and executed upon approval by Ohio EPA of the Loan Application; and,

**WHEREAS**, the WSRLA Loan Application and Loan Agreement documents require the City to submit to the Ohio EPA a certified copy of approved City Council legislation authorizing the Director of the Public Utilities Department to apply for and subsequently execute the WSRLA agreement and to authorize a dedicated source of repayment for the loan; and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Public Utilities in that it is immediately necessary to authorize the Director to enter into a contract for General Engineering Services with MS Consultants Inc. for the Fourth Water Plant Transmission Main as this multi-year design project is on an aggressive completion schedule to meet future anticipated water demands stemming from an increase in manufacturing in Central Ohio; and for the preservation of the public health, peace, property and safety; **now therefore**

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the Director of Public Utilities be and hereby is authorized to enter into an agreement for General Engineering Services for the Fourth Water Plant Transmission Main CIP 690502-100001, with the most responsive, responsible, and best bidder: MS Consultants Inc. (FID #34-6546916), 2221 Schrock Rd; Columbus, Ohio 43229; in accordance with the terms and conditions of the agreement on file in the Office of the Division of Water.

**SECTION 2.** That the Director of Public Utilities is hereby authorized to apply for, accept, and enter into a Water Supply Revolving Loan Account Loan Agreement with the Ohio Environmental Protection Agency and administered by the Ohio Water Development Authority for the financing of this Division of Water project, based upon the availability of funds through the Ohio EPA's Water Supply Revolving Loan Account (WSRLA) program and the Agency's approval, as described, with the "not to exceed" costs in parenthesis, as follows:

690502-1000001 Fourth Water Plan Transmission Main (\$5,500,000.00)

**SECTION 3.** That city water rate revenues are hereby authorized to be the dedicated source of repayment for the Water Supply Revolving Loan Account loan.

**SECTION 4.** Future renewals to this agreement will be needed and will extend the term of this agreement until completion of the project scheduled for December 2028.

**SECTION 5.** That the appropriation and expenditure of \$5,399,068.91 or so much thereof as may be needed, is hereby authorized within Water System Reserve Fund - Fund No. 6003, per the account codes in the attachment.

**SECTION 6.** That the appropriation of \$5,399,068.91 or so much thereof as may be needed, is hereby authorized within Water Supply Revolving Loan Account Fund - Fund No. 6011, per the account codes in the attachment.

**SECTION 7.** That the transfer of \$5,399,068.91 or so much thereof as may be needed, is hereby authorized between the Water System Reserve Fund - Fund No. 6003 to the Water Supply Revolving Loan Account Fund - Fund No. 6011, per the account codes in the attachment to this ordinance.

**SECTION 8.** That the 2022 Capital Improvements Budget is hereby amended per the account codes in the attachment to this ordinance.

**SECTION 9.** That the City Auditor is authorized to make any accounting changes to revise the funding source for all contracts or contract modifications associated with this Ordinance.

**SECTION 10.** That the City Auditor is hereby authorized and directed to transfer any unencumbered balance in the project account to the unallocated balance within the same fund upon receipt of certification by the Director of the Department administering said project that the project has been completed and the monies no longer required for said project; except that no transfer shall be made from a project account by monies from more than one source.

**SECTION 11.** That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

**SECTION 12.** That the funds necessary to carry out the purpose of this Ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

**SECTION 13.** That upon obtaining other funds for the purpose of funding water system capital improvement work, the City Auditor is hereby authorized to repay the Water System Reserve Fund the amount transferred above (Section 3), and said funds are hereby deemed appropriated for such purposes.

**SECTION 14.** That the City intends that this Ordinance constitute an "official intent" for purposes of Section 1.150-2(e) of the Treasury Regulations, and that the City reasonably expects to reimburse itself for certain Original Expenditures incurred with respect to the Project from the proceeds of obligations to be issued by the City in a principal amount currently estimated to be \$5,399,068.91 (the "Obligations").

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen months following the later to occur of the date of the Original Expenditure to be reimbursed or the date the Project for which such Original Expenditures were made is "placed in service" within the meaning of Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse Water System Reserve Fund 6003, which is the fund from which the advance for costs of the Project will be made.

**SECTION 15.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.