



Legislation Details (With Text)

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On agenda: 6/24/2024 **Final action:** 6/26/2024

Title: To authorize the Director of the Department of Public Utilities to enter into a contract modification with Prime Construction Management & Survey, Inc. for the Construction Administration/Construction Inspection Services 2023-2025 contract; to authorize an amendment to the 2023 Capital Improvement Budget; to authorize a transfer of funds from the Water Reserve Fund to the Water Fresh Water Market Rate Fund; to authorize the appropriation of funds; to authorize the expenditure of \$350,000.12 from the Water Fresh Water Market Rate Fund; and to declare an emergency. (\$350,000.12)

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD 1618-2024 Accounting Template, 2. ORD 1618-2024 - Utilization Form

Date	Ver.	Action By	Action	Result
6/26/2024	1	CITY CLERK	Attest	
6/25/2024	1	MAYOR	Signed	
6/24/2024	1	COUNCIL PRESIDENT	Signed	
6/24/2024	1	Columbus City Council	Approved	Pass

1. BACKGROUND

This ordinance authorizes the Director of Public Utilities to enter into a contract modification with Prime Construction Management & Survey, Inc., for construction administration/inspection services for Department of Public Utilities construction projects bid during the calendar years 2023 through 2025 as part of the Construction Administration/Construction Inspection Services 2023-2025 contracts.

Prime Construction Management & Survey, Inc. will be assigned construction projects as tasks on their contract and will ensure the work is performed to City of Columbus construction standards and specifications. As projects are added to the contract, the contract will be modified to authorize Prime Construction Management & Survey, Inc. to perform the work and to add funding to pay for the work.

The construction project to be administered by Prime Construction Management & Survey, Inc. under this contract modification is 690236-100178 Lead Service Line Replacements - Pilot Program.

This work will primarily be performed in Community Planning Area “99 - Citywide”.

1.1. Amount of additional funds to be expended: \$350,000.12

Original Contract:	\$201,851.31 (PO411801)
Modification #1:	\$72,154.14 (PO419003)
Modification #2:	\$1,204,608.25 (PO428570,PO428574, PO428580, PO428584, PO428589)
<u>Modification #3: (Current)</u>	<u>\$350,000.12</u>
Total:	\$1,828,613.82

1.2. Reasons additional goods/services could not be foreseen:

This is a three-year agreement for fiscal years 2023 - 2025 for which modifications were anticipated pursuant to the original authorizing legislation under Ordinance 1727-2023 to account for future construction projects being assigned to Prime Construction Management & Survey, Inc., as additional tasks requiring contract modifications to authorize Prime Construction Management & Survey, Inc., to perform those tasks and to add funding to pay for the additional work to be performed.

1.3. Reason other procurement processes are not used:

This is a multi-year contract that will be modified as required to provide construction administration/inspection services for construction projects that bid during the three year (2023-2025) time frame.

1.4. How cost of modification was determined:

The cost of this modification was determined by negotiations between Prime Construction Management & Survey, Inc. and Department of Public Utilities project staff based upon the existing contract labor titles, maximum labor rates, allowable contract expenses, and the time estimated to be needed to perform contract tasks.

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

This work will ensure the Department's construction projects are performed correctly and will last the anticipated service life. No community outreach is planned at this time.

3. CONTRACT COMPLIANCE INFORMATION

Prime Construction Management & Survey, Inc. contract compliance number is CC-024771 and expires 10/4/2024.

4. MINORITY AND WOMAN OWNED BUSINESS ENTERPRISE & SMALL LOCAL BUSINESS ENTERPRISE PROGRAM

This contract opportunity was submitted to the City's Office of Diversity and Inclusion (ODI) for review and assignment of an MBE/WBE goal prior to bidding. ODI determined there was not an opportunity for MBE/WBE participation in this contract and did not assign a goal. This contract was not bid with a City of Columbus MBE/WBE Program goal and the requirements of the City's MBE/WBE Program are not applicable to this contract. Prime Construction Management & Survey, Inc. is classified as a majority owned company by ODI. No subcontractors are anticipated to be used for these tasks on the contract. The MBE/WBE percentage for this first task is 0.0%.

5. FISCAL IMPACT

Funding for this contract will be obtained through the Ohio Water Development Authority (OWDA) Direct Loan Program. City Council authorized applying for these types of loans and the acceptance of the loan funding via Ordinance 0652-2024, passed by Council on 3/25/24.

The Ohio Water Development Authority (OWDA) Direct Loan Program is a reimbursement program. Purchase orders will need to be established to Prime Construction Management & Survey, Inc. for these contracts. Public Utilities will need to pay invoices directly to Prime Construction Management & Survey, Inc. and then submit reimbursement requests based upon these paid invoices to OWDA for OWDA to reimburse Public Utilities.

A transfer of funds from the Water Reserve Fund, Fund 6003, to the Water Fresh Water Market Rate Fund, Fund 6014, in the amount of \$350,000.12 is needed to fund construction administration and inspection for this project. This transaction is a temporary measure that is required until a loan is executed with the OWDA to reimburse the Water Reserve Fund. The loan is expected to be approved in July 2024. These funds will also need to be appropriated to be transferred and then appropriated after transfer to the new fund. An amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project.

6. EMERGENCY DESIGNATION

Emergency designation is requested for this ordinance. This contract modification provides construction administration and inspection services (CA/CI) for the construction of this project. The construction is partially funded by a grant that requires funds to be encumbered and spent by milestone dates or the grant funding can be reduced or eliminated. The

construction ordinance is being done as emergency because of this grant requirement. Construction cannot start without the CA/CI contract being in place, so the CA/CI contract must also be done as emergency to prevent delays in the construction contract that could reduce or eliminate the grant funding obtained for the construction.

To authorize the Director of the Department of Public Utilities to enter into a contract modification with Prime Construction Management & Survey, Inc. for the Construction Administration/Construction Inspection Services 2023-2025 contract; to authorize an amendment to the 2023 Capital Improvement Budget; to authorize a transfer of funds from the Water Reserve Fund to the Water Fresh Water Market Rate Fund; to authorize the appropriation of funds; to authorize the expenditure of \$350,000.12 from the Water Fresh Water Market Rate Fund; and to declare an emergency. (\$350,000.12)

WHEREAS, the Department of Public Utilities advertised a Request for Proposals for Construction Administration/Construction Inspection Services; and

WHEREAS, Prime Construction Management & Survey, Inc. was one of six firms selected by the evaluation committee to provide these services; and

WHEREAS, Ordinance 1727-2023 authorized the contract with Prime Construction Management & Survey, Inc. for these services and assigned the first task to be performed; and

WHEREAS, additional construction inspection/administration tasks needs to be performed; and

WHEREAS, the contract with Prime Construction Management & Survey, Inc. will need to be modified to add these tasks to the contract and to add funding to pay for the tasks; and

WHEREAS, Ordinance 0652-2024 authorized this contract modification to be funded with a loan from OWDA; and

WHEREAS, a loan application will be submitted to OWDA to fund this project; and

WHEREAS, an amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project; and

WHEREAS, it is necessary to both appropriate and transfer funds between the Water Reserve Fund to the Water Fresh Water Market Rate Fund; and

WHEREAS, it is necessary to appropriate funds in the Water Fresh Water Market Rate 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 services of the Project described in this Ordinance (collectively, the "Project"); and

WHEREAS, funds must be expended to pay for the construction administration and inspection services Prime Construction Management & Survey, Inc. provides under the Construction Administration/Construction Inspection Services 2023-2025 contract;

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities in that it is immediately necessary to execute the contract so as not to lose grant funding being used to construct this project, for the immediate 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 2023 Capital Improvement Budget authorized by Ordinance 1711-2023 be amended as follows to establish sufficient budget authority for this project:

Fund / Project Number / Project Name (Funding Source) / Current Authority / Revised Authority / Change

6014 / 690236-100178 / Lead Service Line Replacements - Pilot Program (OWDA Direct Loan) / \$0.00 / \$350,000.00 / \$350,000.00

SECTION 2. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2024, the sum of \$350,000.12 is appropriated in Fund 6003 (Water Reserve Fund) per the account codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$350,000.12, or so much thereof as may be needed, is hereby authorized from the Water Reserve Fund to the Water Fresh Water Market Rate Fund per the accounting codes in the attachment to this Ordinance.

SECTION 4. That the Director of the Department Public Utilities is authorized to enter into a contract modification with Prime Construction Management & Survey, Inc, 8415 Pulsar Place, Suite 300 Columbus, OH 43240, for construction administration and inspection services, in accordance with the terms and conditions as shown in the contract on file with the Department of Public Utilities, in an amount not to exceed \$350,000.12.

SECTION 5. That from the unappropriated monies and from all monies estimated to come into said fund from any and all sources and unappropriated for any other purpose during the fiscal year ended December 31, 2024, the sum of \$350,000.12 is appropriated in Fund 6014 (Water Fresh Water Market Rate Fund) per the account codes in the attachment to this ordinance.

SECTION 6. That an expenditure not to exceed \$350,000.12 is authorized per the accounting codes in the attachment to this Ordinance.

SECTION 7. 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 Reserve Fund, Fund 6003, the amount transferred above (Section 3), and said funds are hereby deemed appropriated for such purposes.

SECTION 8. 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 \$350,000.12 (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 the Water Reserve Fund, Fund 6003, which are the funds from which the advance for costs of the Project will be made.

SECTION 9. That funds are deemed appropriated and expenditures and transfers authorized to carry out the purposes of this Ordinance and the City Auditor shall establish such accounting codes as necessary.

SECTION 10. 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 11. That the City Auditor is authorized to transfer the unencumbered balance in a project account to the unallocated balance account 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 are no longer required for said project.

SECTION 12. That for the reasons stated in the preamble hereto, which is made a part hereof, this Ordinance is 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 (10) days after passage if the Mayor neither approves nor vetoes this Ordinance.