



Legislation Details (With Text)

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On agenda: 2/6/2017 **Final action:** 2/7/2017

Title: To authorize the Director of Public Utilities to enter into a construction contract with Michels Tunneling, a division of Michels Corporation, for the Lockbourne Intermodal Subtrunk Project for the Division of Sewerage and Drainage; to authorize the appropriation and transfer of \$40,535,000.00 from the Sanitary Sewer Reserve Fund to the Ohio Water Development Loan Fund; and to authorize the expenditure of up to \$40,535,000.00 from said loan fund for the Division of Sewerage and Drainage. (\$40,535,000.00).

Sponsors:

Indexes:

Code sections:

Attachments: 1. Ord 3373-2016 Bid Tab 113016, 2. Ord 3373-2016 QFF Eval Loan Funded, 3. Ord 3373-2016 SWIF LIS 650491-2, 4. Ord 3373-2016 DAX Financials w Reserves LIS 650491-2

Date	Ver.	Action By	Action	Result
2/7/2017	1	CITY CLERK	Attest	
2/7/2017	1	MAYOR	Signed	
2/6/2017	1	COUNCIL PRESIDENT	Signed	
2/6/2017	1	Columbus City Council	Approved	Pass
1/30/2017	1	Columbus City Council	Read for the First Time	

1. **BACKGROUND:** This legislation authorizes the Director of Public Utilities to enter into a construction contract with Michels Tunneling, a division of Michels Corporation, hereby referred to as Michels Tunneling, for the Lockbourne Intermodal Subtrunk Project, CIP 650491-100002. The work for this project consists of the installation of 10,218 lineal feet of 78-inch sanitary sewer tunnel using the direct jacked micro-tunneling method, installation of 8 flow-control / junction / drop/ access / manhole structures, installation of 7,016 lineal feet of 60-inch sanitary sewer pipe by a combination of bore and jack and pipe-in-trench (open cut) construction, and associated manholes and other such work as may be necessary to complete the contract, in accordance with the plans CC-15311 and specifications set forth in this Invitation For Bid (IFB).

This project has been approved for below market-rate loan financing through the Ohio Environmental Protection Agency’s Water Pollution Control Loan Fund (WPCLF) which is administered by the Ohio Water Development Authority (OWDA). Ordinance 2241-2015, passed October 19, 2015, authorizes the Director of Public Utilities to enter into a WPCLF Loan for the project. The project’s assigned WPCLF Loan Number is CS390274-0214. Upon the loan award, which is expected on January 26, 2017, an OWDA Loan Account number will be assigned.

2. **PROJECT TIMELINE:** Contract work is required to be completed in a manner acceptable to the City within 1090 days from the date that a Notice To Proceed (NTP).

3. **PROCUREMENT INFORMATION:** In accordance with the procedures set forth in the overall provisions of Section 329 of the Columbus City Code. Bids were received and opened on November 30, 2016 at the Department of Public Utilities, 910 Dublin Road facility utilizing the electronic bid platform, Bid Express. Six (6) competitive bids

were received and are listed below:

<u>Name</u>	<u>C.C. No</u>	<u>Expires</u>	<u>Vendor #</u>	<u>City/State</u>	<u>Status</u>
Michels Tunneling	39-0970311	02/18/18	007730	Brownsville, WI	MAJ
Ward & Burke Tunneling, Inc.	41-2282525	11/17/18	019865	Columbus, OH	MAJ
Southland Contracting, Inc.	74-2151660		010014	Fort Worth, TX	MAJ
Super Excavators, Inc.	39-1050777	09/29/18	007737	Menomonee Falls, WI	MAJ
Vadnais Trenchless Services	47-0992796	10/20/18	019570	Vista, CA	MAJ
James W. Fowler Co.	93-0677813	11/29/18	019476	Dallas, OR	MAJ

The Engineer's construction cost estimate was \$65,687,892.00

Michels Tunneling was selected based on the Bid Tabulation and Quality Factor Form review.

4. **CONTRACT COMPLIANCE NO.:** 39-0970311 | Exp. 02/18/18| MAJ | Vendor#: 007730
5. **EMERGENCY DESIGNATION:** An emergency designation **is not** requested for this legislation.
6. **ECONOMIC IMPACT:** This project is to be undertaken as part of the Northern Pickaway JEDD the City of Columbus entered into with Harrison Township and the Village of Ashville which will allow for the development of the Intermodal Facility and the 936+ acre area surrounding it. It will provide sanitary sewer service to a previously unsewered area which will allow for the removal of home septic treatment systems and which will increase water quality.
7. **FISCAL IMPACT:** This legislation authorizes the appropriation and transfer of \$40,535,000.00 from the Sanitary Sewer Reserve Fund 6102, to the Ohio Water Development (OWDA) Loan Fund, Fund 6111; and authorizes the expenditure of up to \$40,535,000.00 from the loan fund.

To authorize the Director of Public Utilities to enter into a construction contract with Michels Tunneling, a division of Michels Corporation, for the Lockbourne Intermodal Subtrunk Project for the Division of Sewerage and Drainage; to authorize the appropriation and transfer of \$40,535,000.00 from the Sanitary Sewer Reserve Fund to the Ohio Water Development Loan Fund; and to authorize the expenditure of up to \$40,535,000.00 from said loan fund for the Division of Sewerage and Drainage. (\$40,535,000.00).

WHEREAS, six (6) competitive bids for construction of the Lockbourne Intermodal Subtrunk were received and opened on November 30, 2016 in the offices of the Director of Public Utilities; and

WHEREAS, the Division of Sewerage and Drainage has determined that it necessary to enter into a construction contract with Michels Tunneling for the Lockbourne Intermodal Subtrunk Project; and

WHEREAS, the Ohio Water Development Authority (OWDA) is scheduled to approve an Ohio EPA WPCLF loan agreement with the City of Columbus on January 26, 2016, in the amount of \$40,535,000.00 to provide financing for the above listed project with eligible costs including the construction contract and contingency; and

WHEREAS, it is necessary to both appropriate funds from the Sewer System Reserve Fund and to authorize the transfer of said funds into the OWDA Loan Fund in order to temporarily fund this expenditure until such time as the City receives loan proceeds for the above stated purpose and reimburse the Sewer System Reserve Fund; and

WHEREAS, the aggregate principal amount of obligations which the City will issue to finance this project will not exceed \$40,535,000.00; and

WHEREAS, it is necessary to authorize the expenditure of up to \$40,535,000.00 from the Ohio Water Development (OWDA) Loan Fund, Fund 6111; 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 project described in this ordinance (the "Project"); and

WHEREAS, it has become necessary in the usual daily operation of the Department of Public Utilities to authorize the Director to enter into a construction contract with the Michels Tunneling for the Lockbourne Intermodal Subtrunk Project, CIP 650491-100002 at the earliest practical date for the preservation of the public health and safety; **Now, Therefore**

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

SECTION 1. That the Director of Public Utilities is hereby authorized to enter into a construction contract with Michels Tunneling, a division of Michels Corporation, 16500 W. Rogers Drive, New Berlin, WI 53151, for the Lockbourne Intermodal Subtrunk Project in accordance with the terms and conditions of the contract on file with the Division of Sewerage and Drainage.

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, 2017, the sum of \$40,535,000.00 is appropriated in Fund 6102, per the account codes in the DAX Financial attachment to this ordinance.

SECTION 3. That the transfer of \$40,535,000.00 or so much thereof as may be needed, is hereby authorized between the Sanitary Sewer Reserve Fund 6102 and OWDA Loan Fund 6111 per the accounting codes in the attachment to this ordinance.

SECTION 4. That the appropriation and expenditure of \$40,535,000.00 or so much thereof as may be needed, is hereby authorized in the Ohio Water Development (OWDA) Loan Fund, Fund 6111 per the accounting codes in the attachment to this ordinance.

SECTION 5. That the said construction firm, Michels Tunneling, shall perform the work to the satisfaction of the Director of Public Utilities and the Administrator of the Division of Sewerage and Drainage.

SECTION 6. 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 7. 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 8. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

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 upon obtaining other funds for the purpose of funding sanitary sewer system capital improvement work, the City Auditor is hereby authorized to repay the Sanitary Sewer Reserve Fund the amount transferred above (Section 3), and said funds are hereby deemed appropriated for such purposes.

SECTION 11. 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 \$40,535,000.00 (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 Sanitary Sewer Reserve Fund 6102, which is the fund from which the advance for costs of the Project will be made.

SECTION 12. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.