



Legislation Details (With Text)

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Title: To authorize the Director of the Department of Public Utilities to enter into a construction contract with Travco Construction, Inc. for the Lead Service Line Replacement - Pilot Program project; 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 expend up to \$2,502,000.00 from the Water Fresh Water Market Rate Fund, from the Lead Safe Ohio Grant, and from the Water Bond Fund; and to declare an emergency. (\$2,502,000.00)

Sponsors:

Indexes: MBE Participation

Code sections:

Attachments: 1. ORD 1648-2024 Utilization Plan, 2. ORD 1648-2024 Accounting Template

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 construction services contract with Travco Construction, Inc. (hereafter referred to as Travco) via the City’s Invitation for Bid process for the Lead Service Line Replacement - Pilot Program project, CIP #690236-100178, in an amount up to \$2,500,000.00; and to authorize the payment of up to \$2,000.00 to the Department of Public Service to perform prevailing wage services on this project; for a total expenditure of up to \$2,502,000.00.

Under the authority provided in the Ohio Constitution, the Ohio Revised Code, and the City of Columbus Charter, the City provides drinking water through its service lines and can permit and install water connections. The City’s public water system is subject to regulation by the United States Environmental Protection Agency and the Ohio Environmental Protection Agency. The United States Environmental Protection Agency regulates lead service lines in public water systems through the Lead and Copper Rule at 40 CFR 141 Subpart I, and the Ohio Environmental Protection Agency regulates lead service lines in the public water systems through Ohio Administrative Code §§3745-81-80 through 3745-81-90.

The water distribution system is comprised of service lines owned by the City on the public side, and by individual property owners on the private side. The public side includes the part of the service line installed within the public right-of-way, and the private side includes the part of the service line running from the end of the public right-of-way to the structure on the property. 40 CFR 141 Subpart A defines a lead service line that is owned by the water system, owned by the property owner, or owned by both to include a galvanized service line if the galvanized service line ever was or is currently downstream of any lead service line or a service line of unknown material. The City excluded lead as an approved material for service lines in 1963. However, lead service lines currently exist in both the public and private side of the City service lines due to installation prior to the exclusion. The public health and safety is endangered by the ingestion of drinking water that contains lead. The use of a lead service line to deliver drinking water from a water main

to a residence, business, school, or other building or structure, increases the risk of lead content in the water. The continued use of lead service lines for an indefinite period of time, without a systematic plan for replacing those lead lines, is a threat to the health and safety of the utility customers as well as the residents, occupants, and visitors to the City.

It is anticipated the City, through the Department of Public Utilities Division of Water, will expend in excess of \$1.3 billion over the next 10 or so years to replace lead lines to become compliant with anticipated federal and state lead line requirements. Repair or replacement of only part of a lead service line, leaving some but not all of the lead service line in service, poses a higher risk of releasing lead into the drinking water on the property being served than when the whole existing lead service line is left undisturbed, and this risk should be reduced to the extent practically possible. It is necessary and appropriate and in the best interest of the City, its inhabitants, and the operations of the City's drinking water utility to replace all lead service lines in the City's service area, whether publicly or privately owned, to protect public health, and to avoid noncompliance with federal or state law.

The City's Division of Water (DOW) is very experienced in replacing and repairing water service lines located within the public right-of-way. DOW does not currently perform work outside of the public right-of-way. To become compliant with anticipated federal and state law concerning lead service lines, DOW will need to develop a lead service line replacement program, along with associated rules and regulations, and become involved in replacing service lines on private property. There are differences in performing work on service lines on private property versus doing similar work in the public right-of-way. Rather than learn about these differences after developing a program, rules, and regulations, and learning what should have been incorporated in the program in the midst of a \$1.3 billion replacement project, DOW obtained City Council approval via Ordinance 1061-2024, passed by City Council on 4/29/24, to do a limited pilot program with private property volunteers to be able to incorporate lessons learned into the program manual, rules, and regulations before beginning the main replacement program.

The limited pilot program will be performed in partnership with the City's Department of Development (DOD). DOD is in the process of identifying private property owners that want to have their lead lines replaced and are willing to have the City do the work. DOD obtained a grant through the Ohio Department of Development Lead Safe Ohio program to pay for the work for the private service line replacement. City Council approved DOD to accept and execute documents related to this grant via Ordinance 3209-2023, passed on 12/4/23. The contract award to Travco replaces lead and/or galvanized water taps and service lines on the property of the volunteers DOD finds. This pilot program construction contract is anticipated to cost \$2.5 million, with the DOD grant providing up to \$1 million for the private service line replacement and DOW providing up to \$1.5 million for the public line replacement.

The Community Planning Area is 99 Citywide.

TIMELINE: All work shall be complete within 730 calendar days from the Notice to Proceed. The City anticipates issuing a Notice to Proceed in July 2024. The grant funding obtained for this project must be encumbered prior to 7/1/24 or it can be reduced or eliminated. All grant funded work must be completed by 2/28/26.

ESTIMATED COST OF PROJECT: The bid amount of \$4,038,549.79 was adjusted down to the budgeted amount for this contract of \$2,500,000.00 per a special provision in the bid documents allowing this adjustment to be made. The proposed award amount is the budgeted amount of \$2,500,000.00, including a 10% construction contingency amount that will be utilized to fund needed and approved changes in the work. No contract modifications are anticipated at this time; however, construction exigency might later compel modification of this contract if unforeseen difficulties are encountered.

Cost summary:

Original Contract	\$	2,500,000.00
Future Anticipated Needs	\$	0.00
CONTRACT TOTAL		\$2,500,000.00
Prevailing wage services	\$	2,000.00

\$2,502,000.00

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

This project will utilize grant money to partially pay for the replacement of known existing lead or galvanized water service lines in the distribution system in order to meet OEPA requirements. The work will be in conjunction with a Department of Development project to develop/renovate private properties. Community outreach may result through the Neighborhood Liaison Program.

3. BID INFORMATION

This project was formally advertised on the Vendor Services and Bid Express websites from 3/14/24 through 4/17/24. Three bids were received:

<u>Name</u>	<u>Bid Amount</u>	<u>City/State</u>	<u>Status</u>
Travco Construction, Inc.	\$4,038,549.79	Grove City, OH	MAJ
Boss Excavating & Grading, Inc.	\$4,399,910.64	Columbus, OH	MAJ
Murphy Pipeline Contractors, LLC	\$8,318,781.90	Jacksonville, FL	MAJ

The Travco bid was evaluated and deemed the lowest, best, most responsive bid. The bid documents contained a special provision stating the contract would not be awarded for more than the amount budgeted. The contract amount will be set at \$2,500,000.00 to match the budgeted amount.

Travco’s certification was in good standing at the time of the contract award.

4. CONTRACT COMPLIANCE INFORMATION

Travco’s contract compliance number is CC009944 and expires 9/26/24.

Searches in SAM.gov (Federal) and the Ohio State Auditor’s Office did not find any unresolved findings for recovery against Travco.

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

This contract was bid with an anticipated City of Columbus MBE/WBE Program goal of 10% as assigned by the City’s Office of Diversity and Inclusion (ODI). After review of the Utilization Plan and other related information the contractor submitted with their bid response, ODI has approved an MBE/WBE Program goal of 10% for this contract. Failure by the contractor to meet this goal subjects the contractor to the Penalties for Non-Compliance as described in the bid documents for this contract.

As part of their bid, Travco proposed the following three subcontractors to perform contract work:

<u>Company Name</u>	<u>City/State</u>	<u>ODI Certification Status</u>
Decker Construction Company	Columbus, OH	MAJ
Biz Tech DBA Tatum Landscaping & Lawncare LLC	Columbus, OH	MBE
CLB Trucking, Inc.	Columbus, OH	MBE

The certification of Travco and the above companies was in good standing at the time the bid was awarded.

6. PRE-QUALIFICATION STATUS

Travco and all subcontractors have met code requirements with respect to pre-qualification, pursuant to relevant sections of Columbus City Code Chapter 329.

7. EMERGENCY DESIGNATION

Emergency designation is requested for this ordinance. This contract 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.

8. FISCAL IMPACT

Department of Public Utilities Funding

Funding for the Department of Public Utilities portion of this contract (\$1,500,000.00) will be obtained through the Ohio Water Development Authority (OWDA) Direct Loan Program. City Council authorized this loan application and acceptance of loan funding via Ordinance 0652-2024, passed by Council on 3/25/24. This loan is expected to be approved at the July Board meeting.

A transfer of funds from the Water System Reserve Fund, Fund 6003, to the Water - Fresh Water Market Rate Fund, Fund 6014, in the amount of \$1,500,000.00 is needed to fund construction for this project. This transaction is a temporary measure that is required until a loan is executed with OWDA to reimburse the Water System Reserve Fund. 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.

Funds in the amount of \$2,000.00 are available within the Water Bond Fund, Fund 6006 to pay the Department of Public Service to perform prevailing wage services for the project. These funds are appropriated. An amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project.

The Ohio Water Development Authority Direct Loan Program is a reimbursement program. Purchase orders will need to be established to Travco for this contract. Public Utilities will need to pay invoices directly to Travco and then submit reimbursement requests based upon these paid invoices to OWDA for OWDA to reimburse Public Utilities.

Department of Development Funding

Funding for the Department of Development portion of this contract (\$1,000,000.00) is provided through a reimbursement grant provided by the Ohio Department of Development's (ODOD) Lead Safe Ohio Program. Grant #G602400 has been set-up for this grant and ACPO010294 was established via Ordinance 3209-2023. This ACPO will be used for the Department of Development funding contribution for this contract.

The grant funding obtained for this project must be encumbered prior to 7/1/24 or the grantor (The Ohio Department of Development) can reduce or cancel the grant funding. All grant funded work must be completed by 2/28/26.

To authorize the Director of the Department of Public Utilities to enter into a construction contract with Travco Construction, Inc. for the Lead Service Line Replacement - Pilot Program project; 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 expend up to \$2,502,000.00 from the Water Fresh Water Market Rate Fund, from the Lead Safe Ohio Grant, and from the Water Bond Fund; and to declare an emergency. (\$2,502,000.00)

WHEREAS, the Department of Public Utilities is engaged in the Lead Service Line Replacement - Pilot Program project; and

WHEREAS, three bids were received and opened on 4/17/24; and

WHEREAS, it is necessary to authorize the Director of the Department of Public Utilities to enter into a construction services contract with Travco for the Lead Service Line Replacement - Pilot Program project; and

WHEREAS, Ordinance 0652-2024 authorized the use of loans from the Ohio Water Development Authority (OWDA) Direct Loan Program to finance Public Utilities projects; and

WHEREAS, a loan application will be submitted to OWDA to finance 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 from the Water Reserve Fund, Fund 6003, to the Water

Fresh Water Market Rate Fund, Fund 6014; and

WHEREAS, it is necessary to appropriate funds in the Water Fresh Water Market Rate Fund, Fund 6014, and in the Lead Safe Ohio Grant, Grant #G602400; and

WHEREAS, ACPO010294 was established via Ordinance 3209-2023 and is available to fund the Department of Development contribution for this contract; 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 services Travco provides under the Lead Service Line Replacement - Pilot Program contract; and

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 with Travco for the Lead Service Line Replacement - Pilot Program due to this contract being partially funded by a grant that requires funds to be encumbered by 7/1/24 or the grant funding can be reduced or eliminated, 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 Line Replacement - Pilot Program (OWDA Direct Loan) / \$350,000.00 / \$1,850,000.00 / \$1,500,000.00 (To match loan amount)

6006 / 690236-100122 / Miller Ave. Area WL Imp’s (Voted Water Carryover) / \$500,000.00 / \$498,000.00 / (\$2,000.00)
6006 / 690236-100178 // Lead Line Replacement - Pilot Program (Voted Water Carryover) / \$0.00 / \$2,000.00 / \$2,000.00

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 \$1,500,000.00 is appropriated in Fund 6003 (Water Reserve Fund) per the account codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$1,500,000.00, or so much thereof as may be needed, is hereby authorized between the Water Reserve Fund and 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 of Public Utilities is authorized to enter into a contract for the Lead Service Line Replacement - Pilot Program project with Travco Construction, Inc., 5506 Harrisburg Pike, Grove City, Ohio, 43123, for construction 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 \$2,500,000.00; and to pay the Department of Public Service an amount up to \$2,000.00 to provide prevailing wage services.

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 \$1,500,000.00 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 \$1,502,000.00 is authorized per the accounting codes in the attachment to this Ordinance.

SECTION 7. That ACPO010294, in the amount of \$1,000,000.00, will be used to fund the Department of Development contribution to this contract.

SECTION 8. 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 9. 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 \$1,500,000.00 (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 the Water Reserve Fund, Fund 6003, which are the funds from which the advance for costs of the Project will be made.

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 funds are hereby 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 13. 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.