



Legislation Details (With Text)

File #: 0673-2011 **Version:** 1

Type: Ordinance **Status:** Passed

File created: 4/20/2011 **In control:** Finance Committee

On agenda: 5/2/2011 **Final action:** 5/2/2011

Title: To authorize the Finance and Management Director to enter into contract on behalf of the Office of Construction Management with Messer Construction for construction of compressed natural gas infrastructure for the City of Columbus at 4211 Groves Road; to authorize and direct the City Auditor to transfer \$1,590,000.00 from the Special Income Tax Fund to the Fleet Management Bond Fund; to authorize the expenditure of \$414,223.00 from the ARRA Clean Cities Grant Fund; to authorize the expenditure not to exceed \$2,449,777.00 from the Fleet Management Bond Fund; to amend the 2011 Capital Improvement Budget to establish sufficient budget authority to cover the expenditure upon passage of this ordinance; and to declare an emergency. (\$2,864,000.00)

Sponsors:

Indexes:

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
5/4/2011	1	CITY CLERK	Attest	
5/3/2011	1	MAYOR	Signed	
5/2/2011	1	Columbus City Council	Approved	Pass
5/2/2011	1	COUNCIL PRESIDENT	Signed	
4/22/2011	1	EBOCO Reviewer	Reviewed and Approved	
4/22/2011	1	ODI DIRECTOR	Reviewed and Approved	
4/22/2011	1	Finance Drafter	Sent to Clerk's Office for Council	
4/21/2011	1	Finance Drafter	Sent for Approval	
4/21/2011	1	Finance Reviewer	Reviewed and Approved	
4/21/2011	1	Finance Drafter	Sent for Approval	
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4/21/2011	1	Finance Reviewer	Reviewed and Approved	
4/21/2011	1	FINANCE DIRECTOR	Reviewed and Approved	
4/21/2011	1	Finance Drafter	Sent for Approval	
4/21/2011	1	CITY ATTORNEY	Reviewed and Approved	
4/21/2011	1	Auditor Reviewer	Reviewed and Approved	
4/21/2011	1	CITY AUDITOR	Reviewed and Approved	

4/21/2011

1

Finance Drafter

Sent for Approval

Background: This ordinance authorizes the Finance and Management Director to enter into a contract on behalf of the Office of Construction Management with Messer Construction for the construction of a compressed natural gas fueling station at 4211 Groves Road. The fueling station will provide rapid and reliable dispensing of compressed natural gas (CNG) to begin to grow a fleet of energy efficient CNG-fueled vehicles. This ordinance also authorizes the "retrofitting" of the facility on 4211 Groves Road to enable the Fleet Management Division to store and maintain dedicated CNG units inside the facility safely.

The City of Columbus, Finance and Management Department, Fleet Management Division, was awarded a grant from the United States Department of Energy (DOE) through the local Clean Cities Coalition designee, Clean Fuels Ohio. The funding opportunity is titled "Clean Cities FY09 Petroleum Reduction Technologies Projects for the Transportation Sector", Area of Interest 4, and was created through the American Recovery and Reinvestment Act of 2009 to fund cost-shared projects that expand the use of alternative fueled vehicles and advanced technology vehicles as well as the installation or acquisition of infrastructure necessary to directly support an alternative fueled vehicle or advanced technology vehicle. Ordinance No. 0540-2010, passed April 14, 2010, authorized the Finance and Management Director to enter into a contract with Clean Fuels Ohio and to accept and appropriate the grant. This grant will be used to complete construction of the CNG fueling station, including retrofitting of the facility for safety measures.

The City of Columbus will be receiving 23 CNG heavy-duty vehicles in 2011, which will rely on this fueling station for fuel. This will be the only CNG fueling station in the Columbus area with the capacity to fuel this number of CNG heavy-duty vehicles. This equipment enables the station to be "fast-fill," meaning that vehicles can be fueled in approximately the same amount of time as diesel vehicle equivalents. CNG vehicles produce significantly lower amounts of harmful emissions such as nitrogen oxides, particulate matter, and toxic and carcinogenic pollutants. Natural gas is a domestically available, inherently clean burning fuel. Using compressed natural gas as vehicle fuel increases energy security by reducing our dependence on foreign oil and improves public health and the environment. Currently, CNG is also significantly lower in cost than either gasoline or diesel.

Formal bids were solicited and one company submitted a bid on March 31, 2011 as follows (0 MBE, 0 FBE):

Messer Construction	\$2,864,000
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Emergency action is requested so the necessary construction of the compressed natural gas (CNG) fueling facility can occur, thereby expanding the use of alternative fueled vehicles resulting in cost savings to the City.

Messer Construction Contract Compliance No. 310740877, expiration July 12, 2012.

Fiscal Impact: The cost of this construction contract is \$2,864,000.00. Of this, \$2,449,777.00 will be provided by the Fleet Management Division and \$414,223.00 will be provided by a grant match from Clean Fuels Ohio. This is budgeted in the Capital Improvements Budget. The grant award is from the United States Department of Energy through Clean Fuels Ohio for the program titled "Clean Cities FY09 Petroleum Reduction Technologies Projects for the Transportation Sector" for the period February 1, 2010 through December 31, 2011. Bonds have yet to be sold for the Fleet Services Fund portion of the project, necessitating a certification of \$1,590,000.00 against the Special Income Tax Fund. Upon sale of the bonds, this will be reimbursed. This legislation amends the 2011 Capital Improvement Budget to establish sufficient budget authority to cover the expenditure upon passage of this ordinance.

To authorize the Finance and Management Director to enter into contract on behalf of the Office of Construction Management with Messer Construction for construction of compressed natural gas infrastructure for the City of Columbus at 4211 Groves Road; to authorize and direct the City Auditor to transfer \$1,590,000.00 from the Special Income Tax Fund to the Fleet Management Bond Fund; to authorize the expenditure of \$414,223.00 from the ARRA Clean Cities Grant Fund; to authorize the expenditure not to exceed \$2,449,777.00 from the Fleet Management Bond Fund; to amend the 2011 Capital Improvement Budget to establish sufficient budget authority to cover the expenditure upon passage of this ordinance; and to declare an emergency. (\$2,864,000.00)

WHEREAS, this ordinance authorizes the Finance and Management Director to enter into a contract on behalf of the Office of Construction Management with Messer Construction for the construction of compressed natural gas fueling station at 4211 Groves Road; and

WHEREAS the fueling station will provide rapid and reliable dispensing of compressed natural gas (CNG) to begin to grow a fleet of energy efficient CNG fueled vehicles; and

WHEREAS, formal bids were solicited and one company (Messer Construction) submitted a bid on March 31, 2011; and

WHEREAS, it is necessary to transfer funds from the Special Income Tax Fund to this project; and

WHEREAS, the City will sell notes or bonds to fund this project and will reimburse the Special Income Tax Fund; and

WHEREAS, this transfer should be considered as a temporary funding method; and

WHEREAS, it is necessary to authorize an amendment to the 2011 Capital Improvements Budget for the purpose of providing sufficient spending authority for the aforementioned project expenditures; and

WHEREAS, the aggregated principal amount of obligations which the City will issue to finance this project is presently expected not to exceed \$1,590,000.00; 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, an emergency exists in the usual daily operation of the Finance and Management Department, Office of Construction Management, in that it is immediately necessary to authorize the Finance and Management Director to contract with Messer Construction for the construction of a compressed natural gas station in order for the City to ensure that it meets deadlines for the Federal grant money that will help fund the actual project; now, therefore:

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

SECTION 1. That the Finance and Management Director is hereby authorized to contract with Messer Construction Inc. for the construction of compressed natural gas fueling station at 4211 Groves Road and the "retrofitting" of the facility on 4211 Groves Road to enable the Fleet Management Division to store and maintain dedicated CNG units inside the facility safely.

SECTION 2. That the sum of \$1,590,000.00 be and is hereby appropriated from the unappropriated balance of the Special Income Tax Fund, Fund 430, 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 ending December 31, 2011 to the City Auditor, Department 22-01, Object Level One 10, OCA code 902023, Object Level Three 5502.

SECTION 3. That the City Auditor is hereby authorized to transfer said funds to the Fleet Management Bond Fund (513-004), at such time is deemed necessary by the City Auditor, and to expend said funds, or so much thereof as may be necessary.

SECTION 4. That the amount of \$1,590,000.00 is hereby transferred and appropriated to the Fleet Management Division, 45-05, Fleet Services Fund 513-004, Fleet Fuel Site Infrastructure - CNG - 550002-100001, Object Level One 06, Object Level Three Code 6621, OCA Code 551304.

SECTION 5. That the 2011 Capital Improvement Budget authorized by Ordinance No. 0266-2011 be and is hereby amended to provide sufficient authority for this project as follows:

Fund/Subfund	513/004 - Fleet Taxable Debt
Project/Detail	550002-100001
Funding Source	Fleet Unvoted - New Funding
Original	\$535,000
New	\$1,590,000
Difference	\$1,055,000

SECTION 6. That upon obtaining other funds for the professional services contract for the design of compressed natural gas infrastructure, the City Auditor is hereby authorized and directed to repay the Special Income Tax Fund the amount transferred under Section 3.

SECTION 7. That the City Auditor is authorized to establish the proper accounting project number and to make any accounting changes to review the funding any contract or contract modification associated with the expenditure of funds transferred.

SECTION 8. That the City intends 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 \$1,590,000.00 (the "Obligations").

The City intends to make a reimbursement allocation on its books for the Original Expenditures not later than eighteen (18) months following the latter 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 the Treasury Regulations Section 1.150-2(c). Upon the issuance of the Obligations, the proceeds of such Obligations shall be used to reimburse the fund from which the advance for costs of the Project will be made.

SECTION 9. All funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated.

SECTION 10. That the expenditure up to \$2,864,000.00, or so much thereof that may be necessary in regard to the action authorized in SECTION 1, be and is hereby authorized and approved as follows:

Division 45-05
Fund: 220
Grant Number: 451035-200000
Grant Name: ARRA-Clean Cities Grant
OCA: 451035
Object Level 1: 06
Object Level 6621
Amount: \$414,223.00

Division 45-05
Fund/Subfund: 513-004
Project/Detail: 550002-100001
Project Name: Fleet Fuel Site Infrastructure - CNG
OCA: 551304
Object Level 1: 06
Object Level 6621
Amount: \$1,904,777.00

Division 45-05
Fund/Subfund: 513-005
Project/Detail: 550001-100002
Project Name: Fleet Facility Improvements - CNG
OCA: 551305
Object Level 1: 06
Object Level 6621
Amount: \$545,000.00

SECTION 11. 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 10 days after its passage if the Mayor neither approves nor vetoes the same.