



Legislation Text

File #: 1781-2008, **Version:** 1

1. BACKGROUND: This legislation authorizes the Director of Public Utilities to enter into contracts with Power Line Supply in the amount of \$196,209.00 and Van Tran Industries in the amount of \$128,940.00; to transfer \$325,149.00 from the Electricity Reserve Fund to the Voted Street Lighting and Electricity Distribution Improvement Fund; in connection with the Distribution System Improvements Project. A need for seventeen (17) transformers exists in order to construct new electricity infrastructure and to make improvements to the existing electricity infrastructure throughout the City's power distribution area. The seventeen (17) transformers are grouped into eleven (11) items for ease of bidding. Four (4) bids were received and tabulated. One bidder, ERMCO, was deemed as non-responsive due to terms and conditions they included such as prices are subject to change without notice.

2. CONSTRUCTION CONTRACT AWARD: The Director of Public Utilities publicly opened four bids on October 23, 2008. Bids for items 1 through 8 were received from: Power Line Supply - \$196,209.00; Van Tran Industries - \$230,989.00; Square D - \$347,008.00; and Ermco - \$273,380.00. Bids for items 9 through 11 were received from Van Tran Industries - \$ 128,940.00 and Power Line Supply - \$166,877.

The lowest and best bidders were Power Line Supply in the amount of \$196,209.00 for items 1-8 and Van Tran Industries in the amount of \$128,940.00 for items 9-11. Their Contract Compliance Numbers are 38-1783949 (expires 02/01/2010, Majority) and 74-2568917 (expires 09/19/2009, Majority), respectively. Additional information regarding all bidders, description of work, contract time frame and detailed amounts can be found on the attached Legislation Information Form.

3. FISCAL IMPACT: This legislation includes a transfer of funds from the Electricity Reserve Fund to the Voted Street Lighting and Electricity Distribution Improvement Fund as a temporary measure until such time as the proceeds from a bond sale can be made available.

Emergency Designation: It is requested that this Ordinance be handled in an emergency manner to allow for sufficient lead time for ordering and receiving transformers necessary for various infrastructure projects. With volatility in the commodity markets, lead time for obtaining copper and other metals used in transformers has nearly tripled. It is necessary, therefore to expedite the purchase of these transformers to meet deadlines for multiple capital improvement projects and infrastructure needs.

To authorize the Director of Public Utilities to contract with Power Line Supply Company and Van Tran Industries for the purchase of transformers; to authorize the appropriation and transfer of \$325,149.00 from the Electricity Reserve Fund to the Voted Street Lighting and Electricity Distribution Improvement Fund; to authorize the expenditure of \$325,149.00 from the Voted Street Lighting and Electricity Distribution Improvement Fund; for the Division of Power and Water; and to declare an emergency. (\$325,149.00)

WHEREAS, four (4) bids for Three Phase Pad Mount and Three Phase Subway Transformers were received and publicly opened in the offices of the Director of Public Utilities on October 23, 2008; and

WHEREAS, it was determined that Power Line Supply Company and Van Tran Industries submitted the lowest, best, responsive and responsible bid proposal; and

WHEREAS, it is necessary for this Council to authorize the City Auditor to transfer funds from the Electricity Reserve Fund to the Voted Street Lighting and Electricity Distribution Improvement 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, an emergency exists in the usual daily operation of the Division of Power and Water, Department of Public Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to enter into two construction contracts for the Distribution System Improvements Project, to authorize the appropriation and transfer of funds from the Electricity Reserve Fund to the Voted Street Lighting and Electricity Distribution Improvement Fund; in an emergency manner to allow for sufficient lead time for ordering and receiving transformers due to volatility in the commodity markets, 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 Director of Public Utilities be and hereby is authorized to award and execute two contracts for the Distribution System Improvements Project with the lowest and best bidder on items 1 through 8, Power Line Supply, 1403 Neubrecht Rd., Lima, Ohio 45801; in the amount of \$196,209.00; and on items 9 through 11, Van Tran Industries, 7711 Imperial Dr., Waco, Texas 76712; in the amount of \$128,940.00; in accordance with the terms and conditions of the contracts on file in the Office of the Division of Power and Water.

SECTION 2. That from the unappropriated monies in the Electricity Reserve Fund, 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, 2008, the sum of \$325,149.00, is hereby appropriated to the Division of Power and Water, Division 60-07, Object level One 10, Object level Three 5502, OCA 551001.

SECTION 3. That the City Auditor is hereby authorized and directed to transfer \$325,149.00, from the Electricity Reserve Fund to the Voted Street Lighting and Electricity Distribution Improvement Fund, Fund No. 553, into the appropriate project account as specified within Section 4 herein, at such time as deemed necessary by him, and to expend said funds, or so much thereof as may be necessary.

SECTION 4. That the appropriation and expenditure of \$325,149.00 is hereby authorized for the Distribution System Improvements Project within the Voted Street Lighting and Electricity Distribution Improvement Fund, Fund No. 553, Division 60-07, Project No. 670608, Object Level Three 6621 , OCA Code 670608.

SECTION 5. That upon obtaining other funds for the purpose of funding electricity distribution capital improvement work, the City Auditor is hereby authorized to repay the Electricity Reserve Fund the amount transferred under Section 3 above, and said funds are hereby deemed appropriated for such purpose.

SECTION 6. 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 7. That said company(s) shall conduct the work to the satisfaction of the Director of Public Utilities and the Administrator of the Division of Power and Water.

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 \$325,149.00 (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 Electricity Reserve Fund 551, which is the fund from which the advance for costs of the Project will be made.

SECTION 9. That for reasons stated in the preamble hereto, which is hereby 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 days after passage if the Mayor neither approves nor vetoes the same.

