



## Legislation Text

File #: 0199-2024, Version: 1

### 1. BACKGROUND

This Ordinance authorizes the Director of the Department of Public Utilities to modify the professional engineering services agreement with Hatch Associates Consultants Inc. for the Hap Cremean Water Plant (HCWP) Concrete Rehabilitation Project, Capital Improvements Project No. 690389-100000, to add \$1,925,000.00 to continue funding engineering services during construction.

The goal of this project is to rehabilitate deteriorated concrete and related structural/mechanical items caused by natural deterioration (age), service conditions, and weather (freeze-thaw) conditions. This planned modification provides funding for engineering services during construction for the phase 2 bid package, including but not limited to shop drawing review services, responding to RFIs, preparing RFP and reviewing subsequent proposals, attending construction progress meetings, periodic site visits, and preparation of record documents.

Work performed to date by Hatch Associates Consultants under this contract includes:

- Condition assessment and preliminary design
- Detailed design for Phase 1
- Engineering services during construction for Phase 1 of the project
- Engineering services during construction for Phase 2 of the project

The Community Planning Area is “99 - Citywide” since the HCWP serves multiple planning areas.

**1.1 Future Renewals/Modifications:** There are no planned renewals or modifications to this contract after this modification. An unplanned modification may be required if unforeseen circumstances are encountered.

**1.2 Amount of additional funds to be expended: \$1,925,000.00**

Original Contract Amount:	\$ 741,300.00	(PO019838)
Renewal No. 1:	\$1,920,600.00	(PO133389)
Renewal No. 2:	\$1,307,900.00	(PO182088)
Renewal No. 3:	\$1,602,000.00	(PO287293)
<u>Modification No. 1 (current):</u>	<u>\$1,925,000.00</u>	
Total (Orig. + Renewals)	\$7,496,800.00	

**1.3. Reason other procurement processes are not used:**

Engineering services during construction were included in the original RFP advertisement for which the Division received proposals for this project and are already part of the existing contract. This modification is not expanding upon the scope or adding work that was not including in the original contract. The sole purpose of this modification is to add funding for the planned final phase of the project.

**1.4. How cost of renewal was determined:**

Hatch Associate Consultants Inc. and the City developed a scope of work for these services based on the previous work performed and estimated efforts for this next phase of work. Hatch then developed the estimated level of effort and a fee to perform the work based upon existing contract rates. The scope and fee were reviewed by the City PM and Hatch refined these based on City’s comments.

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

This project will rehabilitate deteriorated concrete around the treatment basins at the Divisions’ largest water treatment plant to prevent further and more costly damage that could occur if rehabilitation was postponed and to extend the life of this asset. This project is part of the City’s ongoing efforts to maintain a reliable supply of safe drinking water to its customers, which will result in sustainable economic growth well into the future.

Public informational meetings are not anticipated for this project. All proposed work is anticipated to occur within the boundaries of the Hap Cremean Water Plant.

**3. CONTRACT COMPLIANCE INFORMATION**

Hatch Associates Consultants Inc.’s contract compliance is number is CC025646, and expires on March 8, 2024. Hatch Associates Consultants Inc. is listed as a Majority firm.

Searches in the Excluded Party List System (Federal) and the Findings for Recovery list (State) produced no findings against Hatch Associates Consultants Inc.

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

This contract was put in place prior to the implementation of the City of Columbus MBE/WBE Program and is not subject to the requirements of that program. Hatch Associates Consultants Inc is classified as a majority company by the City’s Office of Diversity and Inclusion.

As part of their proposal, Hatch Associates Consultants Inc. has proposed using the following sub-consultants to perform contract work:

<u>Company Name</u>	<u>City/State</u>	<u>ODI Certification Status</u>
Burgess & Niple, Inc.	Columbus, Ohio	MAJ
CH2M Hill Engineers, Inc.	Columbus, Ohio	MAJ
Osborn Engineering	Columbus, Ohio	MAJ

The certification of Hatch Associates Consultants Inc. and the above companies was in good standing at the time the bid was awarded.

**5. FISCAL IMPACT**

Funding for this contract will be obtained through the Ohio Water Development Authority Direct Loan Program. City Council authorized this loan application and acceptance of loan funding via Ordinance 0997-2023, passed by Council on April 24, 2023. CIP 690387-100001 is not listed as a project anticipated to be funded through this loan program in Ordinance 0997-2023. Section 2 of the Ordinance 0997-2023 allows the Director of the Department of Public Utilities to add projects to the list per Departmental need.

The Ohio Water Development Authority (OWDA) Direct Loan Program is a reimbursement program. A purchase order will need to be established to Hatch Associates Consultants Inc. for this contract modification. Public Utilities will need to pay the charges directly to Hatch Associates Consultants 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 System Reserve Fund, Fund 6003, to the Water Fresh Water Market Rate Fund, Fund 6014, in the amount of \$1,925,000.00 is needed to fund this contract modification. This transaction is a temporary measure that is required until a loan is executed with OWDA to reimburse the Reserve Funds. The loan is expected to be approved in February, 2024. These funds will also need to be appropriated to be transferred and then appropriated after transfer to the new Funds. An amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project.

To authorize the Director of Public Utilities to modify the professional engineering services agreement with Hatch Associates Consultants Inc. for the Hap Cremean Water Plant Concrete Rehabilitation Project; to authorize an amendment to the 2023 Capital Improvements Budget; to authorize the appropriation and transfer of cash from the Water System Reserve Fund to the Water Fresh Water Market Rate Fund; and to authorize the appropriation of funds and expenditure of \$1,925,000.00 from the Water Fresh Water Market Rate Fund to pay for the contract modification. (\$1,925,000.00)

**WHEREAS**, the Department of Public Utilities is engaged in the Hap Cremean Water Plant (HCWP) Concrete Rehabilitation Project, Capital Improvements Project No. 690389-100000; and

**WHEREAS**, Contract No. PO019838 was authorized by Ordinance No. 1491-2016, passed June 27, 2016, was executed on July 27, 2016, and approved by the City Attorney on August 1, 2016, for the Hap Cremean Water Plant Concrete Rehabilitation Project; and

**WHEREAS**, Contract Renewal No. 1 to Contract No. PO019838, identified as Contract No. PO133389 was authorized by Ordinance No. 1795-2018, passed July 16, 2018, was executed August 17, 2018, and signed by the City Attorney on August 24, 2018; and

**WHEREAS**, Contract Renewal No. 2 to Contract No. PO019838, identified as Contract No. PO182088 was authorized by Ordinance No. 1420-2019, passed June 10, 2019, was executed July 17, 2019, and signed by the City Attorney on July 19, 2019; and

**WHEREAS**, Contract Renewal No. 3 to Contract No. PO019838, identified as Contract No. PO287293 was authorized by Ordinance No. 1655-2021, passed July 19, 2021, was executed August 19, 2021; and

**WHEREAS**, Contract Modification No. 1 (current) is needed to provide continued engineering services during construction for Phase 2; and

**WHEREAS**, Ordinance 0997-2023 authorized the use of loans from the Ohio Water Development Authority (OWDA) Direct Loan Program to finance Public Utilities projects; and

**WHEREAS**, loan applications will be submitted to OWDA to finance this contract modification; 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 System 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 construction of the Project described in this Ordinance (collectively, the "Project"); and

**WHEREAS**, it is necessary for this Council to authorize the Director of the Department of Public Utilities to modify the professional engineering services contract with Hatch Associates Consultants Inc. for the Hap Cremean Water Plant Concrete Rehabilitation Project to add funds to pay for continued engineering services during construction for Phase 2 of the project; and

**WHEREAS**, funds must be expended to pay for the Hap Cremean Water Plant Concrete Rehabilitation Project; **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 / 690389-100000 / Hap Cremean Water Plant Concrete Rehabilitation (OWDA Direct Loan) / \$0.00 / \$1,925,000.00 / \$1,925,000.00 (To match loan amount)

**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 \$1,925,000.00 is appropriated in Fund 6003 (Water System Reserve Fund).

**SECTION 3.** That the transfer of \$1,925,000.00, or so much thereof as may be needed, is hereby authorized between the Water System Reserve Fund, Fund 6003, and the Water Fresh Water Market Rate Fund, Fund 6014, per the accounting codes in the attachment to this Ordinance.

**SECTION 4.** That the Director of the Department of Public Utilities is hereby authorized and directed to modify the professional engineering services agreement with Hatch Associates Consultants Inc., 88 East Broad Street, Suite 1980, Columbus, OH 43215 for the Hap Cremean Water Plant Concrete Rehabilitation Project, in an amount not to exceed \$1,925,000.00.

**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 \$1,925,000.00 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 \$1,925,000.00 is authorized per the accounting codes in the attachment to this Ordinance.

**SECTION 7.** That upon obtaining other funds for the purpose of funding sewer system capital improvement work, the City Auditor is hereby authorized to repay the Water System 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 \$1,925,000.00 (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 System Reserve Fund, Fund 6003, which is the fund from which the advance for costs of the Project will be made.

**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 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 11.** 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 12.** That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.