



Legislation Text

File #: 3316-2022, Version: 1

1. BACKGROUND: This legislation authorizes the Director of Public Utilities to enter into a contract for engineering consulting services for the design of a fourth water plant, and to apply for, accept, and enter into a Water Supply Revolving Loan Account Loan Agreement with the Ohio Water Development Authority and the Ohio Environmental Protection Agency for the financing thereof. The Fourth Water Plant (FWP) project will design and construct a new fourth water plant to meet water supply needs and increase the resiliency and reliability of the water supply system. The FWP will be located on City owned property in Delaware County, Concord Township, at the southeast corner of Dublin Road (S.R. 745) and Home Road (C.R. 124). (CIP # 690600-100000)

The City will initially enter into a contract for Study Services (Phase 1). The Phase 1 Study Services shall research and evaluate options related to the new water plant and develop a basis of design for the recommended improvements. It is the City's intent to execute future contract modifications for Preliminary Design Services (Phase 2), Detailed Design Services (Phase 3), Engineering Services During Construction (Phase 4) and Engineering Services During Operation (Phase 5).

The Water Supply Revolving Loan Account (WSRLA) loan program requires legislation to authorize the Director of Public Utilities to execute the loan agreement for this project as identified in Section 2, under the direction of the Division of Water (DOW). This loan program is jointly administered by the Ohio EPA's Division of Environmental and Financial Assistance (DEFA) and the Ohio Water Development Authority (OWDA). The WSRLA program provides below-market interest rate loans for municipal water system improvements.

The applicable Loan Administration Fees will be rolled into the loan upon execution of the Loan Agreement. The WSRLA loan will be paid off over a 20-year period from water service fees (the dedicated source of repayment). Water service rate increases have been projected and planned in anticipation of this project and loan.

Planning area = "99-Citywide"

TIMELINE & FUTURE RENEWAL(S): The duration of the initial contract for Phase 1 - Study Phase is 8 months and is expected to begin first quarter 2023. Phase 2 - Preliminary Design Services (Modification No. 1) is expected to have a duration of 8 months. Phase 3 - Detailed Design Services (Modification No. 2) is expected to have a duration of approximately 20 months. Phase 4 - Engineering Services during Construction (Modification No. 3) is expected to have a duration of approximately 24 months. Phase 5 - Engineering Services during Construction Part II (Modification No. 4) is expected to have a duration of approximately 12 months. Phase 6 - Engineering Services during Operation (Modification No. 5) is expected to have a duration of approximately 12 months. The estimated end date of the agreement is fourth quarter 2029.

ESTIMATED COST OF PROJECT:

Cost summary:

Original Contract - Study Phase	\$ 7,470,000.00
Modification No. 1 - Preliminary Design	\$ 8,750,000.00 (estimated)
Modification No. 2 - Detailed Design	\$18,000,000.00 (estimated)
Modification No. 3 - Services during Construction	\$24,000,000.00 (estimated)
Modification No. 4 - Services during Construction II	\$ 6,000,000.00 (estimated)
<u>Modification No. 5 - Services during Operation</u>	<u>\$ 500,000.00 (estimated)</u>

CONTRACT TOTAL

\$64,720,000.00 (estimated)

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

The City currently has three water plants that collectively provide drinking water to approximately 1.2 million customers in the City of Columbus and surrounding communities. The existing water plants include the Hap Cremean Water Plant (HCWP), the Dublin Road Water Plant (DRWP), and the Parsons Avenue Water Plant (PAWP). The FWP will position the City to meet anticipated water system demands and will improve the reliability and resiliency of the water supply system, which helps support economic growth in the central Ohio area.

Sustainable design options will be evaluated for integration into the project. The evaluation will result in a set of recommended sustainable design features to carry forward into the design phase.

3. BID INFORMATION: The selection of the firm providing the professional engineering services has been performed in accordance with the procedures set forth in Columbus City Codes, Chapter 329, "Awarding professional service contracts through requests for proposals."

Requests for Proposals (RFP's) were opened on July 15, 2022. Two (2) bids were received.

1. Hazen and Sawyer
2. Jacobs

The offerors were ranked based upon their Proposal Quality including Demonstrated Understanding of Project, Proposed Project Schedule, Environmental Considerations, Experience of Team, Ability to Perform Expeditiously, Past Performance on Similar Projects, and Local Workforce. The Department of Public Utilities recommends that an agreement be awarded to Hazen and Sawyer

4. CONTRACT COMPLIANCE INFO:

Hazen and Sawyer: 13-2904652, expires 3/3/2024, Majority, DAX No. 000630

Searches in the Excluded Party List System (Federal) and the Findings for Recovery list (State) produced no findings against Hazen and Sawyer

5. EMERGENCY DESIGNATION

Emergency action is requested to complete the project in a timely manner. This legislation is for a multi-year design project which is on an aggressive completion schedule to meet future anticipated water demands. This request will allow the design consultant to start work as soon as possible.

6. FISCAL IMPACT: This Ordinance authorizes the City Auditor to appropriate and transfer funds from the Water System Reserve Fund - Fund No. 6003 to the Water Supply Revolving Loan Account Fund - Fund No. 6011, in order to fund this proposed expenditure. This transaction is a temporary measure that is required until such time as the Division is able to execute a loan with the Water Supply Revolving Loan Account Fund and reimburse the Water System Reserve Fund. The loan is expected to be approved in February 2023. An amendment to the 2022 Capital Improvements Budget will also be necessary.

To authorize the Director of the Department of Public Utilities to enter into an agreement for General Engineering Services for the Fourth Water Plant CIP 690600-100000 with Hazen and Sawyer and to apply, accept, and enter into a Water Supply Revolving Loan Account loan agreement with the Ohio Water Development Authority and Ohio Environmental Protection Agency for the financing thereof and designate a dedicated source of repayment for the loan; to authorize the appropriation and transfer of \$7,470,000.00 from the Water System Reserve Fund to the Water Supply

Revolving Loan Account Fund; to authorize the appropriation and expenditure of \$7,470,000.00 within the Water Supply Revolving Loan Account Fund; and to authorize an amendment to the 2022 Capital Improvements Budget; and to declare an emergency. (\$7,470,000.00)

WHEREAS it is necessary to authorize the Director of Public Utilities to enter into an agreement for professional engineering services with Hazen and Sawyer (FID #34-6546916), for the Fourth Water Plant CIP 690600-100000; and

WHEREAS, the Division anticipates five future renewals to this agreement, which will extend the term of this agreement to fourth quarter 2029; and

WHEREAS, it is necessary to both appropriate funds from the Water System Reserve Fund and to authorize the transfer of said funds into the Water Supply Revolving Loan Account Fund in order to temporarily fund this expenditure, until such time as the City is able to execute a loan for the above stated purpose and reimburse the Water System Reserve Fund; and

WHEREAS, it is necessary to authorize an expenditure up to \$7,470,000.00 within the WRSLA Fund - Fund No. 6011, for the Division of Water in order to temporarily fund this expenditure until such time as the City receives loan proceeds for the above stated purpose and reimburses the Water System Reserve 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 to authorize an amendment to the 2022 Capital Improvements Budget for the purpose of providing sufficient funding and expenditure authority for the aforementioned project expenditure; and

WHEREAS, the Department of Public Utilities is scheduled to prepare a Loan Application for submittal to the Ohio EPA under the Water Supply Revolving Loan Account (WSRLA) program to finance the construction of this project under the direction of the Division of Water, the financial assistance for which may be of help in reducing total project costs to the City's water rate payers; and

WHEREAS, the low-interest loan will be applied for based upon the availability of funds through the Ohio EPA's WSRLA program and executed upon approval by Ohio EPA of the Loan Application; and,

WHEREAS, the WSRLA Loan Application and Loan Agreement documents require the City to submit to the Ohio EPA a certified copy of approved City Council legislation authorizing the Director of the Public Utilities Department to apply for and subsequently execute the WSRLA agreement and to authorize a dedicated source of repayment for the loan; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities in that it is immediately necessary to authorize the Director to enter into a contract for General Engineering Services with Hazen and Sawyer for the Fourth Water Plant CIP 690600-100000 to allow the design consultant to start work as soon as possible on this aggressive completion schedule and for the 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 the Department of Public Utilities be and hereby is authorized to enter into an agreement for General Engineering Services for the Fourth Water Plant CIP 690600-100000, with the most responsive, responsible, and best bidder: Hazen and Sawyer (FID #13-2904652), 150 E. Campus View Blvd., Suite 200; Columbus,

Ohio 43245; in accordance with the terms and conditions of the agreement on file in the Office of the Division of Water.

SECTION 2. That the Director of the Department of Public Utilities is hereby authorized to apply for, accept, and enter into a Water Supply Revolving Loan Account Loan Agreement with the Ohio Environmental Protection Agency and administered by the Ohio Water Development Authority for the financing of this Division of Water project, based upon the availability of funds through the Ohio EPA's Water Supply Revolving Loan Account (WSRLA) program and the Agency's approval, as described, with the "not to exceed" costs in parenthesis, as follows:

690502-1000001 Fourth Water Plant (\$7,600,000.00)

SECTION 3. That city water rate revenues are hereby authorized to be the dedicated source of repayment for the Water Supply Revolving Loan Account loan.

SECTION 4. Future renewals to this agreement will be needed and will extend the term of this agreement until completion of the project scheduled for fourth quarter 2029.

SECTION 5. That the appropriation and expenditure of \$7,470,000.00, or so much thereof as may be needed, is hereby authorized within Water System Reserve Fund - Fund No. 6003, per the account codes in the attachment.

SECTION 6. That the appropriation of \$7,470,000.00, or so much thereof as may be needed, is hereby authorized within Water Supply Revolving Loan Account Fund - Fund No. 6011, per the account codes in the attachment.

SECTION 7. That the transfer of \$7,470,000.00 or so much thereof as may be needed, is hereby authorized between the Water System Reserve Fund - Fund No. 6003 to the Water Supply Revolving Loan Account Fund - Fund No. 6011, per the account codes in the attachment to this ordinance.

SECTION 8. That the 2022 Capital Improvements Budget is hereby amended per the account codes in the attachment to this ordinance.

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 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 11. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 12. 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 13. 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 System Reserve Fund the amount transferred above (Section 3), and said funds are hereby deemed appropriated for such purposes.

SECTION 14. 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 \$7,470,000.00 (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 Water System Reserve Fund 6003, which is the fund from which the advance for costs of the Project will be made.

SECTION 15. 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 ten days after passage if the Mayor neither approves nor vetoes the same.