



## Legislation Text

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**File #: 0402-2024, Version: 1**

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### **1. BACKGROUND**

This ordinance authorizes the Director of Public Utilities to enter into a contract modification with CTL Engineering Inc., for construction administration/inspection services as part of the Construction Administration/Construction Inspection Services 2023-2025 contract.

CTL Engineering Inc. was awarded a contract to perform construction administration/inspection services for Department of Public Utilities Capital Improvement Projects that bid during the years 2023, 2024, and 2025. The contract is modified as needed throughout the three-year contract period to include these projects as they go to construction. The construction project to be administered by CTL Engineering Inc. under this contract modification is the Riverview Drive Avenue Area Water Line Improvements, CIP No. 690236-100125, in the amount of \$560,070.32.

This work will primarily be performed in Columbus Community Areas 38-Olentangy West; 39-Clintonville; 40-North Linden; and 41-Northeast. The Columbus Community Area used in the accounting template for this project will be 99-Citywide as the work spans multiple Community Areas.

#### **1.1. Amount of additional funds to be expended: \$560,070.32**

Original Contract:	\$673,163.42 (ORD 0849-2023; PO391468)
Modification #1:	\$1,733,433.48 (ORD 2061-2023; PO405348, PO405351)
Modification #2:	\$60,000.00 (ORD 2722-2023; PO416229)
Modification #3:	<u>\$560,070.32 (current)</u>
Total	\$3,026,667.22

#### **1.2. Reasons additional goods/services could not be foreseen:**

This is a three-year agreement for fiscal years 2023 - 2025. Modifications were anticipated and explained in the original legislation under Ordinance 0849-2023.

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

This is a multi-year contract that will be modified as required to provide construction administration/inspection services for construction projects that bid during the three year (2023-2025) timeframe. Another procurement process is not required.

#### **1.4. How cost of modification was determined:**

The cost of this modification was determined by negotiations between CTL Engineering, Inc. and the Division of Water based upon the contract rates and titles established in the original contract and an estimate of the number of hours needed for each title for the tasks to be assigned to the contract modification.

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

Division of Water projects include replacement or rehabilitation of water lines that have a high break frequency and valves that are inoperable. Replacement of these water lines will improve water service, decrease burden on water maintenance operations, and reduce water loss. The Neighborhood Liaison(s) will be contacted and informed of this project during the design phase. Further community outreach may result through the Neighborhood Liaison Program.

### **3. CONTRACT COMPLIANCE INFORMATION**

CTL Engineering Inc.'s contract compliance number is CC004209 and expires 7/31/2024.

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

This contract opportunity was submitted to the City’s Office of Diversity and Inclusion (ODI) for review and assignment of an MBE/WBE goal prior to bidding. ODI determined there was not an opportunity for MBE/WBE participation in this contract and did not assign a goal. This contract was not bid with a City of Columbus MBE/WBE Program goal and the requirements of the City’s MBE/WBE Program are not applicable to this contract. CTL Engineering, Inc. is ODI certified as an MBE company. As shown in the Utilization Plan attached to this ordinance, CTL Engineering, Inc. plans to use one sub-consultant on this task. The MBE spend for this contract is anticipated to be 94.4%. The subcontractor CTL Engineering, Inc. proposes to use for this contract modification is listed below:

<u>Company Name</u>	<u>City/State</u>	<u>ODI Certification Status</u>
E. P. Ferris & Associates, Inc.	Columbus, OH	MAJ

CTL Engineering Inc.’s and E. P. Ferris & Associates, Inc.’s certifications were in good standing at the time of this contract modification.

**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 4/24/23. CIP # 690236-100125 is not listed as a project anticipated to be funded through this loan program in Ordinance 0997-2023. Section 2 of the Ordinance 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 CTL Engineering Inc. for this contract modification. Public Utilities will need to pay the construction administration and inspection charges directly to CTL Engineering 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 Reserve Fund, Fund 6003, to the Water Fresh Water Market Rate Fund, Fund 6014, in the amount of \$560,070.32 is needed to fund this contract modification. The transaction is a temporary measure that is required until a loan is executed with OWDA to reimburse the Reserve Fund. 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 Fund. An amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project.

**6. EMERGENCY DESIGNATION**

Emergency action is requested to authorize the Director of Public Utilities to execute this contract modification as soon as possible as construction services are needed to be in place when the construction contract for this project is ready to execute, which is on City Council’s 2/12/24 agenda as 30-day legislation, to prevent the City from being liable for delay charges for issuing a late Notice to Proceed or for causing the contractor to be unable to meet the project completion date.

To authorize the Director of the Department of Public Utilities to enter into a contract modification with CTL Engineering Inc. for the Construction Administration/Construction Inspection Services 2023-2025 contract; 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 in the Water Reserve Fund and the Water Fresh Water Market Rate Fund; to authorize the expenditure of \$560,070.32 from the Water Fresh Water Market Rate Fund for the contract modification; and to declare an emergency. (\$560,070.32)

**WHEREAS**, the Department of Public Utilities advertised a Request for Proposals for Construction Administration/Construction Inspection Services; and

**WHEREAS**, CTL Engineering Inc. was one of six firms selected by the evaluation committee to provide these services; and

**WHEREAS**, Ordinance 0849-2023 authorized the contract with CTL Engineering Inc. for these services and assigned the first tasks to be performed; and

**WHEREAS**, additional construction inspection/administration tasks need to be performed; and

**WHEREAS**, the contract with CTL Engineering Inc. will need to be modified to add these tasks to the contract and to add funding to pay for the tasks; 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

**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 construction administration and inspection services CTL Engineering, Inc. provides under the Construction Administration/Construction Inspection Services 2023-2025 contract for this contract modification; 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 of the Department of Public Utilities to execute this contract modification as soon as possible as construction services are needed to be in place when the construction contract for this project is ready to execute, which is on City Council’s 2/12/24 agenda as 30-day legislation, to prevent the City from being liable for delay charges for issuing a late Notice to Proceed or for causing the contractor to be unable to meet the project completion date, all 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 Improvements 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 / 690236-100125 / Riverview Drive Area Water Line Improvements (OWDA Direct Loan) / \$0.00 / \$560,070.00 / \$560,070.00 (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 ending December 31, 2024, the sum of \$560,070.32 is appropriated in the Water Reserve Fund, Fund 6003, per the account codes in the attachment to this ordinance.

**SECTION 3.** That the transfer of \$560,070.32, or so much thereof as may be needed, is hereby authorized from the Water Reserve Fund to 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 modification for the Construction Administration/Construction Inspection Services 2023-2025 contract with CTL Engineering Inc. 2860 Fisher Road, Columbus, OH 43204, for construction administration and inspection services for the Riverview Drive Avenue Area Water Line Improvements, CIP No. 690236-100125, 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 \$560,070.32.

**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 \$560,070.32 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 \$560,070.32 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 and water 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 \$560,070.32 (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 9.** That funds are 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 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 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.