



## Legislation Text

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**File #: 1874-2008, Version: 1**

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1. **BACKGROUND:**

A. **Need.** This legislation authorizes the Director of Public Utilities to modify the construction contract with Crace Construction Company, Inc. for the Southerly Wastewater Treatment Plant Digester Rehabilitation Project. A Water Pollution Control Loan Fund (WPCLF) supplemental loan for these purposes is tentatively scheduled for the Ohio Water Development Authority (OWDA) on the December 11, 2008 board meeting. This legislation will additionally authorize the appropriation of funds from the OWDA Loan Fund; and authorize the expenditure of funds from the loan for the construction modification contract.

The Crace Construction Company, Inc. modification amount requested under this ordinance is \$2,499,619.00. The contract total including this modification is \$37,440,596.00. These additional monies will fund the cost of needed additions to the contract work, which includes the global settlement of all known and open claims, time delays, inefficiencies, and schedule impacts through September 5, 2008, electrical improvement modifications, emergency eyewash modifications, process pipe layout revisions, boiler room louver modifications, biogas foam separator code modifications, rehabilitation of the six sludge digester tanks, construction of three new sludge digester tanks, installation of new process equipment including piping, valves, pumps, grinder, mixing system, and boilers; rehabilitation of the existing Sludge Control Building, and demolition of process facilities that are to be replaced or are no longer needed, and other associated costs of needed additions to the contract work that have become necessary to complete the Digester Rehabilitation construction, the total of which would exceed the contract contingency amount. It was planned that this contract could be modified to provide needed monies, if necessary, for any anomalies in the work which may become evident as the work progressed. Due to the complex and comprehensive nature of this project, this additional work could not be foreseen, and it is not practical or feasible to undertake a new procurement to deliver these services.

B. **Contract Compliance No.:** 31-0957857 (Majority | Expiration 06/17/2010)

C. **Emergency Designation:** No emergency designation is requested for this ordinance.

2. **FISCAL IMPACT:**

This ordinance request and authorizes the transfer and appropriation of funds in the amount of \$2,499,619.00 from the Sewer System Reserve fund to the OWDA Loan Fund in order to fund this proposed expenditure. Also, the 2008 Capital Improvements Budget is amended upon passage of this ordinance. This transaction is a temporary measure that is required until such time as the Division is able to execute a loan with the Ohio Water Development Authority Loan Fund and reimburse the Sewer System Reserve Fund.

To authorize the Director of Public Utilities to modify a contract with Crace Construction Company, Inc. for the Southerly Wastewater Treatment Plant Digester Rehabilitation Project; to authorize the appropriation, transfer, and expenditure of \$2,499,619.00 from the Sewer System Reserve Fund to the Ohio Water Development Authority Loan Fund; and to amend the 2008 Capital Improvements Budget, for the division of Sewerage and Drainage. (\$2,499,619.00)

**WHEREAS**, Contract No. EL005858 was authorized by Ordinance No.2180-2005, as passed by Columbus City Council on February 6, 2006, for purposes of authorizing the Director of Public Utilities to enter a construction contract with Crace Construction Company, Inc. for the Southerly Wastewater Treatment Plant Digester Rehabilitation Project; and

**WHEREAS**, the original contract under EL005858 was previously modified by ORD1115-2008, as passed by Columbus City Council on July 28, 2008, for purposes of authorizing the Director of Public Utilities to modify the construction contract with Crace Construction Company, Inc. for the Southerly Wastewater Treatment Plant Digester Rehabilitation Project; and

**WHEREAS**, it is necessary to modify this contract to provide additional monies to cover the cost of needed additions to the contract work which exceeds the available contingency amounts provided in the contract, pursuant to completion of the Digester Rehabilitation construction; and

**WHEREAS**, this modification and the prior modification, ORD1115-2008, were originally planned as one that had to be split into two separate modifications due to continuing negotiations between the City and the contractor, the immediate need of at least partial funding to continue work, and the limited availability of time to get legislation passed prior to Council Recess in August; and

**WHEREAS**, it is necessary to authorize an amendment to the 2008 Capital Improvements Budget for the purpose of providing sufficient spending authority for the aforementioned project expenditure; and

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

**WHEREAS**, the Division of Sewerage and Drainage, Department of Public Utilities is requesting that this Council authorize the Director of Public Utilities to modify the construction contract with Crace Construction Company, Inc. for the Southerly Wastewater Treatment Plant Digester Rehabilitation Project at the earliest practical date; **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 modify Contract No. EL005858 with Crace Construction Company, Inc., P.O. Box 535, 316 Main Street, Piketon, Ohio 45661 for construction of the Southerly Wastewater Treatment Plant Digester Rehabilitation Project, Construction Contract S66 in order to provide for needed additions to the contract work and the global settlement of the contractors' claims through September 5, 2008, in accordance with the terms and conditions as shown in the modification on file in the office of the Division of Sewerage and Drainage.

**Section 2.** That from the unappropriated monies in the Sewer System Reserve Fund 654, and from all monies estimated to come into said fund from any and all sources, and unappropriated from any other purpose for the Southerly Wastewater Treatment Plant Digester Rehabilitation Project, the sum of \$2,499,619.00 is hereby appropriated to the Division of Sewerage and Drainage; Division 60-05 | ObjLv11 10 | ObjLv13 5502 | OCA Code 901654

**Section 3.** That the City Auditor is hereby authorized to transfer \$2,499,619.00 to the OWDA Loan Fund No. 666, into the appropriate project accounts as specified in the below section, 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 2008 Capital Improvements Budget Ordinance No. 0690-2008 is hereby amended as follows, to provide sufficient budget authority for the award of the agreement stated herein.

<u>Project No.</u>	<u>Project Name</u>	<u>Current Authority</u>	<u>Revised Authority</u>	<u>(Change)</u>
650691-100000	OSIS Downtown Odor Control	\$4,750,000	\$2,250,381	(-\$2,499,619)
650353-100000	SWWTP Digester Rehabilitation	\$0.00	\$2,499,619	(+\$2,499,619)

**Section 5.** That the expenditure of \$2,499,619.00, or as much thereof as may be needed, be and the same is hereby appropriated and authorized for under the OWDA Loan Fund No. 666 | Division 60-05 | ObjLv13 6624 | as follows:

<u>Proj. No</u>	<u>Proj. Name</u>	<u>OCA Code</u>	<u>Amount:</u>
650353	SWWTP Digester Rehabilitation	666353	\$2,499,619.00

**Section 6.** That upon obtaining other funds for the purpose of funding the sanitary sewer system capital improvement work, the City Auditor is hereby authorized to repay the Sewer System Reserve Fund the amount transferred under the above section, and said funds

are hereby deemed appropriated for such purpose.

**Section 7.** That the City Auditor is hereby authorized 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 are no longer required for said project; except that no transfer shall be made from a project by monies from more than one source.

**Section 8.** That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

**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 this ordinance shall take effect and be in force from and after the earliest period allowed by law.