



## Legislation Text

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**File #:** 0229-2016, **Version:** 1

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**1. BACKGROUND:** This legislation authorizes the Director of Public Utilities to enter into a construction contract with Kokosing Construction Co., Inc. for the Hap Cremean Water Plant (HCWP) Bulk Chemical Building Improvements Project, Division of Water Contract Number 2017, and to transfer \$4,549,428.00 from the Water System Reserve Fund to the Water Supply Revolving Loan Account Fund.

This project will upgrade and/or replace several components of the Bulk Chemical Building (BCB) at the Hap Cremean Water Plant (HCWP), which is currently 25+ years old. Work consists of: replacing piping, tanks, HVAC, ductwork, plumbing, lighting, doors, louvers, windows and roof; removing existing paint and coatings and painting the interior of the building, providing exterior spill containment, improving interior spill containment in several locations, miscellaneous chemical and building system improvements, and all other such work as may be necessary to complete the Contract in accordance with the plans and specifications set forth in the Bid Documents.

The planning area for this project is "Citywide" since HCWP services several communities.

**2. ECONOMIC IMPACT/ADVANTAGES; COMMUNITY OUTREACH; PROJECT DEVELOPMENT; ENVIRONMENTAL FACTORS/ADVANTAGES OF PROJECT:** This project is necessary to meet anticipated regulatory and safety requirements for the HCWP, which is an essential and integral component in the Columbus area water supply and treatment infrastructure. Adequate safe supply of water is essential to economic growth and development. The proposed work will provide improved chemical unloading facilities and spill containment for the BCB, thereby increasing the safety while decreasing the risks associated with chemical storage, and providing adequate protection to plant staff and the surrounding areas. Public informational meetings are not anticipated as all work will be contained to the plant. Regulatory agencies will be notified of the proposed work as appropriate. The consultant team has identified a commitment to the Mayor's Green Initiative in their business practices, as well.

**3.0 CONSTRUCTION CONTRACT AWARD:** The Director of Public Utilities publicly opened two bids on December 23, 2015 from: Kokosing Construction Co. - \$4,549,428.00 and Adams Robinson Enterprises - \$5,847,600.00.

Kokosing's bid was deemed the lowest, best, most responsive and responsible bid in the amount of \$4,549,428.00. Their Contract Compliance Number is 31-1023518 (expires 2/25/16, Majority). Additional information regarding both bidders, description of work, contract time frame and detailed amounts can be found on the attached Information form.

Searches in the Excluded Party List System (Federal) and the Findings for Recovery list (State) produced no findings against Kokosing Construction Co., Inc.

**3.1 PRE-QUALIFICATION STATUS:** Kokosing Construction Co., Inc. and all proposed subcontractors have met code requirements with respect to pre-qualification, pursuant to relevant sections of Columbus City Code Chapter 329.

**4. FISCAL IMPACT:** This Ordinance authorizes the City Auditor to appropriate and transfer funds from the Water System Reserve Fund to the Water Supply Revolving Loan Account Fund 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 on February 25, 2016. An amendment to the 2015 Capital Improvements Budget is also necessary.

To authorize the Director of Public Utilities to enter into a construction contract with Kokosing Construction Co., Inc. for the Hap Cremean Water Plant Bulk Chemical Building Improvements Project; to authorize the appropriation and transfer of \$4,549,428.00 from the Water System Reserve Fund to the Water Supply Revolving Loan Account Fund; to authorize the appropriation and expenditure of \$4,549,428.00 within the Water Supply Revolving Loan Account Fund; for the Division of Water; and to amend the 2015 Capital Improvements Budget. (\$4,549,428.00)

**WHEREAS**, two bids for the Hap Cremean Water Plant (HCWP) Bulk Chemical Building Improvements Project were received and publicly opened in the offices of the Director of Public Utilities on December 23, 2015; and

**WHEREAS**, the lowest, best, most responsive and responsible bid was from Kokosing Construction Co., Inc. in the amount of \$4,549,428.00; and

**WHEREAS**, it is necessary to authorize the Director of the Department of Public Utilities to award and execute a construction contract for the Hap Cremean Water Plant (HCWP) Bulk Chemical Building Improvements Project; 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 amendment to the 2015 Capital Improvements Budget for purposes of providing sufficient funding and expenditure authority for the aforementioned project expenditure; and

**WHEREAS**, it has become necessary in the usual daily operation of the Division of Water, Department of Public Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to enter into a construction contract with Kokosing Construction Co., Inc. for the Hap Cremean Water Plant (HCWP) Bulk Chemical Building Improvements Project 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 Public Utilities be and hereby is authorized to enter into a construction contract for the Hap Cremean Water Plant (HCWP) Bulk Chemical Building Improvements Project with Kokosing Construction Co., Inc., 6235 Westerville Rd., Westerville, Ohio 43081; in an amount up to \$4,549,428.00; in accordance with the terms and conditions of the contract on file in the Office of the Division of Water.

**SECTION 2.** That said construction company shall conduct the work to the satisfaction of the Director of Public Utilities and the Administrator of the Division of Water.

**SECTION 3.** That the 2015 Capital Improvements Budget is hereby amended as follows:

<u>Fund No.</u>	<u>Project ID</u>	<u>Project Name</u>	<u>Current Authority</u>	<u>Revised Authority</u>	<u>Change</u>
6011 (WSRLA)	P690532-100000	(New Funding)   HCWP Bulk Chemical Bldg. Imp's	\$0	\$4,549,428	+\$4,549,428 (add authority to match expenditure)

**SECTION 4.** 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, 2016, the sum of \$4,549,428.00 is appropriated in Fund 6003, Water System Reserve Fund, Subfund 600301, in Object Class 10 Transfer Out Expenditure, per the account codes in the attachment to this ordinance.

**SECTION 5.** That the transfer of \$4,549,428.00 or so much thereof as may be needed, is hereby authorized between

Fund 6003 Water System Reserve Fund, Subfund 600301, and Fund 6011 Water Supply Revolving Loan Account Fund, per the account codes in the attachment to this ordinance.

**SECTION 6.** That the appropriation and expenditure of \$4,549,428.00 or so much thereof as may be needed, is hereby authorized in Fund 6011, Water Supply Revolving Loan Account Fund, in Object Class 06 Capital Outlay, per the accounting codes in the attachment to this ordinance.

**SECTION 7.** 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 under Section 5 above, and said funds are hereby deemed appropriated for such purpose.

**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 \$4,549,428.00 (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 6003, Subfund 600301, which is the fund from which the advance for costs of the Project will be made.

**SECTION 9.** 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 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 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 13.** That this Ordinance shall take effect and be in force from and after the earliest period allowed by law.