



Legislation Text

File #: 2452-2013, Version: 1

1. **BACKGROUND:**

A. Need. This legislation authorizes the Director of Public Utilities to enter into a contract modification for professional engineering services with CH2M Hill Engineers Inc., for the Asset Management 2013 - Phase 5 - Mod #4: Program Development Project for the Division of Sewerage and Drainage and the Division of Water. The Division has determined that these design services cannot be performed by City personnel at this time and has planned for the procurement of these services on a routine basis.

The Consultant's emphasis throughout will be on the development of an asset management system, procedures, and a structured plan for future program development. The Consultant will be expected to concentrate on systems design and technology transfer, provide subject matter expertise, and possibly supplement staff in some cases.

Items completed in Phase 1 were a department-wide asset management needs assessment, preparation of 10 business case evaluations (BCEs) and BCE Guidelines, development of explicit levels of service (LOS), enhancement of DPU's computerized maintenance management system (CMMS), and preparation of an *Enterprise Asset Management (EAM) Philosophy and Framework*, and *EAM Roadmap*.

Items completed in Phase 2 were 20 business case evaluations (BCEs) that represent a long-term cost savings to DPU of over \$8 million, finalization of BCE process guidelines and reporting requirements, development of explicit level of service (LOS) targets, further enhancement and improvements implementation of DPU's computerized maintenance management system (CMMS), operations optimization recommendations for three water plants, and reliability-centered maintenance implementation at two treatment plants to ensure safer, more reliable, and more cost-effective plant operations and maintenance.

Items completed in Phase 3 were implementation of CMMS enhancements and standardization, operations optimization recommendations for two wastewater plants, reliability-centered maintenance implementation at several facilities, development of detailed tactical and operational performance measures in support of identified LOS, and preparation of BCEs for all new projects and several projects on the current capital improvement plan.

At the conclusion of Phase 4, the Consultant will recommend further activities for subsequent phases/years and will estimate the resources required by both the Consultant and Department staff. Based on progress and decisions made, and at the discretion of the Department, the Consultant may be retained on an annual basis to assist the Department with the implementation of the recommended future activities.

This modification (Mod #4) will increase the funding of the contract by an additional \$1,250,000.00 for the continual development of asset management procedures and a structured plan for future program development via facilitation and training.

1.1. Amount of additional funds to be expended: \$1,250,000.00

Original Contract Amount:	\$1,958,000.00
Modification 1	\$1,900,000.00
Modification 2	\$1,816,507.52
Modification 3	\$1,500,000.00

Modification 4 (Current Mod) \$1,250,000.00
Current Total \$8,424,507.52

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

The modification was anticipated and explained in the original legislation. This is a continuation of the anticipated process.

1.3. Reason other procurement processes are not used:

The original contract selected CH2M Hill Engineers Inc., as the consulting firm to provide asset management services over a multi-year agreement. CH2M Hill Engineers Inc. has been a tremendous source of information and guidance in regards to establishing the Asset Management program for the Department of Public Utilities and their continued presence is imperative to the success of this endeavor. CH2M Hill Engineers Inc. has established a working relationship with subcontractors a large portion being minority owned businesses.

1.4. How cost of modification was determined:

The cost of this modification is funded by the Division of Water and the Division of Sewerage and Drainage. Details in regards to breakdowns and allocations that make up the final cost of this modification can be seen on the appropriate budget attachments associated with this legislation.

MULTI-YEAR AGREEMENT:

This ordinance authorizes the expenditure of \$1,250,000.00 for the Asset Management 2013 - Phase 5 (Mod. #4): The Department anticipates requesting additional appropriations to this agreement for fiscal year 2014.

C. Contract Compliance No.: 32-0100027 | MAJ | Expires: 01/07/2015

This company is not debarred according to the Federal Excluded Parties Listing or prohibited from being awarded a contract according to the Auditor of State's Unresolved Findings for recovery search.

D. Emergency Designation: Emergency designation is requested at this time.

2. FISCAL IMPACT:

This ordinance authorizes the transfer within and expenditure of \$625,000.00 from the Sanitary Sewer Build America Bond Fund, Fund 668; the transfer and expenditure of \$625,000.00 within the Water Works Enlargement Voted Bonds Fund, Fund 606; for a total expenditure of \$1,250,000.00; and to amend the 2013 Capital Improvements Budget.

3. ECONOMIC and ENVIRONMENTAL IMPACT STATEMENT:

Asset Management is the collection of business practices designed to meet customer expectations at the lowest possible cost, taking into account social and environmental concerns, while accounting for and mitigating risks. The Business Case Evaluation (BCE), treatment plant operations optimization, and Reliability Centered Maintenance (RCM) initiatives are ways the department has realized significant savings and benefits through Asset Management. To date, the Asset Management program has identified long-term savings of over \$35M. This contract modification will ensure that Asset Management continues to flourish within DPU and generate future cost savings while protecting the interest of our public and the environment.

To authorize the Director of Public Utilities to enter into a planned contract modification for professional engineering services with CH2M Hill Engineers Inc., for the Asset Management Program Development Project; to authorize the appropriation, transfer, and expenditure up to \$625,000.00 within the Sanitary Sewer Build America Bond Fund; to authorize a transfer and expenditure up to \$625,000.00 within the Water Works Enlargement Voted Bonds Fund; for a total expenditure up to \$1,250,000.00; to amend the 2013 Capital Improvements Budget for the Divisions of Sewerage and Water; and to declare an emergency. (\$1,250,000.00)

WHEREAS, Contracts EL009027 and EL009028 were authorized by Ordinance No. 1729-2008, as passed by Columbus City Council on November 24, 2008, executed on January 8, 2009, and EL009027 was approved by the City Attorney January 23, 2009 and EL009028 was approved by the City Attorney January 20, 2009 for purposes of authorizing the Director of Public Utilities to enter into an engineering services agreement with CH2M Hill Engineers Inc., for the Asset Management 2008 - Phase 1: Program Development Project; and

WHEREAS, Modification No. 1 under Purchase Order EL010401 was authorized by Ordinance No. 0292-2010, as passed by Columbus City Council on April 5, 2010, executed on May 21, 2010, and approved by the City Attorney May 24, 2010 for purposes of authorizing the Director of Public Utilities to enter into an engineering services agreement modification with CH2M Hill Engineers Inc., for the Asset Management 2010 - Phase 2: Mod 1, Program Development Project; and

WHEREAS, Modification No. 2 under Purchase Order EL011945 (Sewer) and EL011992 (Water) (replaced by EL012076 and EL012077, respectively, due to name change) was authorized by Ordinance No. 0696-2011, as passed by Columbus City Council on June 27, 2011, executed on September 21, 2011, and approved by the City Attorney September 22, 2011 for purposes of authorizing the Director of Public Utilities to enter into an engineering services agreement modification with CH2M Hill Engineers Inc., for the Asset Management 2011 - Phase 3: Mod 2, Program Development Project; and

WHEREAS, Modification No. 3 under Purchase Order EL012949 was authorized by Ordinance No. 0974-2012, as passed by Columbus City Council on June 18, 2012, executed on July 23, 2012, and approved by the City Attorney July 30, 2012 for purposes of authorizing the Director of Public Utilities to enter into an engineering services agreement modification with CH2M Hill Engineers Inc., for the Asset Management 2012 - Phase 4: Mod 3, Program Development Project; and

WHEREAS, the Divisions of Sewerage and Drainage and Water, Department of Public Utilities, hereby requests this City Council to authorize the Director of Public Utilities to modify a professional engineering service agreement modification with CH2M Hill Engineers Inc., in connection with the Asset Management 2012 - Phase 5 (Mod 4): Program Development Project; and

WHEREAS, it is necessary to authorize the transfer within and expenditure of funds from the Water Works Enlargement Voted Bonds Fund, Fund 606 for purposes of providing sufficient funding for the water expenditure; and

WHEREAS, it is necessary to authorize the transfer within and expenditure of funds from the Sanitary Sewer Build America Bond Fund, Fund 668 for purposes of providing sufficient funding for the sanitary expenditure; and

WHEREAS, it is necessary to authorize an amendment of the 2013 Amend Capital Improvement Budget for purposes of creating and providing sufficient budget authority for the aforementioned expenditures; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities in that it is immediately necessary for Council to authorize the Director of Public Utilities to modify the professional engineering service agreement with CH2M Hill Engineers Inc., in connection with the Asset Management 2013 - Phase 5 - Mod #4: Program Development Project; at the earliest date for the preservation of the public health, peace, property, safety, and welfare; **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 EL009027 and EL009028 with CH2M Hill Engineers Inc., 1103 Schrock Rd., Suite 400, Columbus, OH 43229-1179, for professional

engineering services in connection with the Asset Management 2013- Phase 5 - Mod. #4 Program Development Project, in accordance with the terms and conditions as shown in the agreement on file in the offices of the Divisions of Sewerage and Drainage and Water.

SECTION 2. That the City Auditor is hereby authorized to transfer \$625,000.00 within the Sanitary Sewer Build America Bond | Fund 668, Division of Sewerage and Drainage, Division 60-05, Object Level Three 6676 as follows:

FROM:

Project No. | Project Name | OCA Code | Change

650405-100013 | Sewer System Remediation I&I Plum Ridge | OCA 613405 | (-\$433,157.75)
650752-100000 | Columbus Coated Fabrics | OCA 664752 | (-191,842.25)

TRANSFER to:

Project No. | Project Name | OCA Code | Change

650728-100000 | Asset Management Development Program | OCA 668728 | (+\$625,000.00)

SECTION 3. That the 2013 Capital Improvements Budget Ordinance No. 0645-2013 is hereby amended as follows, to provide and create sufficient budget authority for the award of the agreement stated herein.

Project No. | Project Name | Current Authority | Revised Authority | (Change)

650405-100013 (Carryover) | Sewer System Remediation I&I Plum Ridge | \$0 | \$433,158 | (+\$433,158)
Increase authority for Cancellation
650405-100013 (Carryover) | Sewer System Remediation I&I Plum Ridge | \$433,158 | \$0 | (-\$433,158)
650752-100000 (Carryover) | Columbus Coated Fabrics | \$0 | \$211,164 | (+\$211,164)
Increase authority for Cancellation - (Only Use \$191,843)
650752-100000 (Carryover) | Columbus Coated Fabrics | \$211,164 | \$19,322 | (-\$191,843)
650728-100000 | Asset Management Development | \$0 | \$625,000 | (+625,000)

SECTION 4. That the Director of Public Utilities is authorized to expend \$625,000.00 from Fund 668, or as much thereof as may be needed, on the following:

Project No. | Project Name | Amount (\$) | OCA Code | Object Level Three

650728-100000 | Asset Management Development | \$625,000 | 668728 | 6676

SECTION 5. That the City Auditor is hereby authorized to transfer \$125,000.00 within the Department of Public Utilities, Division of Water, Dept/Div. No. 60-09, Water Works Enlargement Voted Bonds Fund, Fund No. 606, Object Level Three 6677, as follows:

Fund No. | Project No. | Project Name | OCA Code | Change

606 | 690494-100001 (carryover) | DRWP New Low Svc. Pumps | 664941 | -\$112,902.55
606 | 690407-100000 (carryover) | Mound/Harrisburg WL | 606407 | -\$12,097.45
606 | 690509-100000 (carryover) | Asset Mgmt. Prgm. | 606509 | +\$125,000.00

*Project 690509-100000, Fund 606, already has cash balance of \$500,000.00.

SECTION 6. That the 2012 Capital Improvements Budget Ordinance No. 0368-2012 is hereby amended as follows:

Fund No. | Proj. No. | Proj. Name | Current Authority | Revised Authority | Change

606 | 690494-100001 (carryover) | DRWP New Low Svc. Pumps | \$0 | \$112,903 | +\$112,903
(establish authority to match cash)
606 | 690494-100001 (carryover) | DRWP New Low Svc. Pumps | \$112,903 | \$0 | -\$112,903
606 | 690407-100000 (carryover) | Mound/Harrisburg WL | \$238,167 | \$226,069 | -\$12,098

606 | 690509-100000 (carryover) | Asset Mgmt. Prgm. | \$500,000 | \$625,001 | +\$125,001

SECTION 7. That for the purpose of paying the cost of the Asset Management Program Phase 5 - Mod #4 professional engineering services agreement, the expenditure of \$625,000.00 or as much thereof as may be needed, is hereby authorized from the Water Works Enlargement Voted Bonds Fund | Fund No. 606 | Division 60-09 | Project No. 690509-100000 (carryover) | OCA Code 606509 | Object Level Three 6677.

SECTION 8. That the said engineering firm, CH2M Hill Engineers Inc., shall perform the work to the satisfaction of the Director of Public Utilities and the Administrators of the Divisions of Sewerage and Drainage and Water.

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 for the reasons stated in the preamble hereto, 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.