



Legislation Text

File #: 1294-2009, **Version:** 1

1. BACKGROUND: This legislation authorizes the Director of Public Utilities to enter into a construction contract with Kokosing Construction Company, Inc., in the amount of \$2,615,704.96; for the Parsons Avenue Water Plant (PAWP) Sludge Disposal - Lagoon 2 Project, Division of Power and Water Contract Number 1118 - Part 1. This legislation will also authorize the appropriation and expenditure of said funds from the Ohio Water Development Authority (OWDA) Fund.

2. CONSTRUCTION CONTRACT AWARD: The Director of Public Utilities publicly opened four bids on September 23 2009. Bids were received from: Burch Hydro, Inc. - \$2,576,755.32, Kokosing Construction Company, Inc. - \$2,615,704.96; Mark Haynes Construction, Inc. - \$2,745,613.42; and Metropolitan Environmental Services, Inc. - \$4,385,139.70 (non-responsive).

Burch Hydro, Inc. submitted the lowest bid, however, Kokosing Construction Company, Inc. is considered the lowest bidder after the Tier II Creditable Factors were taken into account. Kokosing Construction Company scored higher credits in the areas of: local vendor, local workforce, quality training, retirement/pension plan, and environmental preference. The Division's project manager has recommended the award go to Kokosing Construction Company based on the estimate and evaluation of their proposal, and the Administrator of the Division of Power and Water has agreed.

Their Contract Compliance Number is 31-1023518 (expires 3/14/10, Majority). Additional information regarding each bidder, description of work, contract time frame and detailed amounts can be found on the attached Legislation Information Form.

EMERGENCY DESIGNATION: It is requested that this Ordinance be handled in an emergency manner to allow removal of sludge from Lagoon #2 as soon as possible because all process residuals (sludge) from the Parsons Avenue Water Plant go to one of the three lagoons on the plant site. All three of the lagoons are very close to capacity with only approximately 210 days of sludge storage available on site. The contract completion time for this project is 180 calendar days after the Notice to Proceed. Without the ability to store process residuals the plant will be unable to continue to treat water.

3. FISCAL IMPACT: This Ordinance authorizes the City Auditor to appropriate and transfer funds from the Water System Reserve Fund to the Ohio Water Development Authority (OWDA) 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 Ohio Water Development Authority (OWDA) and reimburse the Water System Reserve Fund. The loan is expected to be approved on Thursday, October 22, 2009. An amendment to the 2009 Capital Improvements Budget is also necessary in order to reduce authority to actual needs.

To authorize the Director of Public Utilities to execute a contract with Kokosing Construction Company, Inc. for construction of the Parsons Avenue Water Plant (PAWP) Sludge Disposal - Lagoon 2 Project; to authorize the appropriation and transfer of \$2,615,704.96 from the Water System Reserve Fund to the Ohio Water Development Authority (OWDA) Fund; to authorize the appropriation and expenditure of \$2,615,704.96 from the Ohio Water Development Authority (OWDA) Fund; to authorize an amendment to the 2009 Capital Improvements Budget; and to declare an emergency. (\$2,615,704.96)

WHEREAS, four bids for the Parsons Avenue Water Plant (PAWP) Sludge Disposal - Lagoon 2 Project were received and publicly opened in the offices of the Director of Public Utilities on September 23, 2009; and

WHEREAS, it was determined that Kokosing Construction Company, Inc. submitted the lowest, best, responsive and responsible bid proposal in the amount of \$2,615,704.96; and

WHEREAS, it is necessary to authorize the Director of the Department of Public Utilities to award and execute a construction contract for the PAWP Sludge Disposal - Lagoon 2 Project; and

WHEREAS, it is immediately necessary to both appropriate funds from the Water System Reserve Fund and to authorize the transfer of said funds into the Ohio Water Development Authority (OWDA) 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, 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, the aggregate principal amount which the City will issue to finance this phase of the project is presently expected not to exceed \$2,615,704.96; and

WHEREAS, it is necessary to authorize an amendment to the 2009 Capital Improvements Budget for purposes of providing sufficient funding and expenditure authority for the aforementioned project expenditure; and

WHEREAS, an emergency exists in the usual daily operation of the Division of Power and 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 Company, Inc. for the PAWP Sludge Disposal - Lagoon 2 Project, to authorize the appropriation and transfer of funds from the Water System Reserve Fund to the Ohio Water Development Authority (OWDA) Fund, in an emergency manner as the plant's three lagoons are very close to capacity and without storage ability the plant will be unable to treat water, 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 Director of Public Utilities be and hereby is authorized to award and execute a construction contract for the Parsons Avenue Water Plant (PAWP) Sludge Disposal - Lagoon 2 Project with the lowest and best bidder, Kokosing Construction Company, Inc., 6235 Westerville Rd., Ste. 200, Westerville, Ohio 43081; in the amount of \$2,615,704.96; in accordance with the terms and conditions of the contract on file in the Office of the Division of Power and Water.

SECTION 2. That from the unappropriated monies in the Water System Reserve Fund 603, 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, 2009, the sum of \$2,615,704.96 is hereby appropriated to the Division of Power and Water, Division 60-09, Object level One 10, Object level Three 5502, OCA 695056.

SECTION 3. That the City Auditor is hereby authorized to transfer \$2,615,704.96 to the Ohio Water Development Authority (OWDA) Fund, Fund No. 616, into the appropriate project accounts as specified within Section 5 herein, 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 2009 Capital Improvements Budget is hereby amended as follows:

Fund No. | Project No. | Project Name | Current Authority | Revised Authority | change

616 | 690414-100000 | PAWP Sludge Disposal | \$5,100,000 | \$2,615,705 | -\$2,484,295

SECTION 5. That for the purpose of paying the cost of the Ohio Water Development Authority (OWDA) Fund Eligible Items within the aforementioned contract, the following appropriation and expenditure, or as much thereof as may be needed is hereby authorized as follows: Fund No. 616, Dept/Div. No. 60-09, Project: 690414, OCA Code 616414, Object Level One 06, Object Level Three 6623, Amount \$2,615,704.96.

SECTION 6. 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 3 above, and said funds are hereby deemed appropriated for such purpose.

SECTION 7. That said construction company shall conduct the work to the satisfaction of the Director of Public Utilities and the Administrator of the Division of Power and Water.

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 \$2,615,704.96 (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 603, which is the fund from which the advance for costs of the Project will be made.

SECTION 9. 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 10. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 11. 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 12. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is 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.