



Legislation Text

File #: 1729-2008, Version: 2

1. **BACKGROUND:**

A. Need. This legislation authorizes the Director of Public Utilities to enter into a professional design services agreement with CH2M Hill, Inc., for the Asset Management 2008 - Phase 1: Program Development Project for the Division of Sewerage and Drainage, and the Division of Power and 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 and 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.

The Department wants to proceed with the asset management program development in phases, with each phase (up to five) lasting approximately one year. The chosen consultant has proposed on the first phase only, which will include five areas of focus to be pursued simultaneously:

- Conduct a department-wide asset management needs assessment.
- Expand the use of business case analyses in capital project development and major operations and maintenance program development.
- Enhance existing asset-centered initiatives and/or projects by incorporating basic asset management elements
- Conduct general asset management training workshops.
- Initiate immediate gap closures.

B. Procurement Information: The basis for selection of the chosen professional engineering services firm: The Division advertised Request for Proposals (RFP's) for the subject services in the City Bulletin in accordance with the provisions of Section 329.14 of Columbus City Codes. The Division of Sewerage and Drainage received technical proposals on July 11, 2008 from two organizations. These proposals were reviewed and ranked by a Professional Engineering Services Selection Committee in order to determine the consultant best qualified to provide the services for this project. The committee ranked the proposals on quality and feasibility. After careful consideration, the committee provided its recommendation to the Director, and CH2M Hill, Inc., was selected to provide the engineering services.

C. Contract Compliance No.: 59-0918189 (MAJ) (Expires: 5/15/2010)

D. Emergency Designation: Emergency designation is requested as this project is designed to minimize overall utility costs and improve efficiency; given current economic climate, the contract should begin as soon as possible. In addition, the emergency designation will allow the project to take advantage of scheduling international expertise that would otherwise carry a higher budget to coordinate.

2. **FISCAL IMPACT:**

This project is included in the Sanitary Division's Capital Improvements Budget and the necessary funds are already established in the appropriate Capital Improvement Project Number to cover the expenditure portion for the Division of Sewerage and Drainage. A transfer of funds from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund, is also needed, as a temporary measure until such time as the proceeds from a bond sale can be made available. Also, the 2008 Capital Improvements Budget is amended for these expenditures upon passage of this ordinance.

To authorize the Director of Public Utilities to enter into an engineering services agreement with CH2M Hill, Inc., for the Asset Management 2008 - Phase 1: Program Development Project; to authorize the expenditure of \$979,000.00 from within the Sanitary Sewer Revenue Bonds Fund, for the Division of Sewerage and Drainage; to authorize the appropriation and transfer of \$979,000.00 from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund; to authorize the expenditure of \$979,000.00 from the Water Works Enlargement Voted Bonds Fund; to amend the 2008 Capital Improvements Budget; for the Divisions of Sewerage and Drainage, and the Division of Power and Water; ~~and to declare an emergency.~~ (\$1,958,000.00).

WHEREAS, the procurement was conducted in accordance with the Request For Proposals (RFP) process set forth in Section 329.14, Columbus City Codes, 1959: two proposals were received and the Division's Evaluation Committee recommendation and subsequent review by the Director resulted in the selection of CH2M Hill, Inc., between the firms; and

WHEREAS, the Divisions of Sewerage and Drainage and Power and Water, Department of Public Utilities, hereby requests this City Council to authorize the Director of Public Utilities to enter into an agreement for engineering services with CH2M Hill, Inc., in connection with the Asset Management 2008 - Phase 1: Program Development Project; and

WHEREAS, it is necessary for this Council to authorize the City Auditor to transfer funds from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund; 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 expenditures; and

WHEREAS, it is necessary for City Council to authorize the expenditure of funds from the Sanitary Sewer Revenue Bonds Fund and the Water Works Enlargement Voted Bonds 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").

WHEREAS, an emergency exists in the usual daily operation of the Division of Sewerage and Drainage, and the Division of Power and Water, Department of Public Utilities, in that it is immediately necessary for this Council to authorize the Director of Public Utilities to execute an agreement for engineering services with CH2M Hill, Inc., in connection with the Asset Management 2008 - Phase 1: Program Development Project; in order to minimize overall utility costs and improve efficiency and to allow the project to take advantage of scheduling international expertise that would otherwise carry a higher budget to coordinate; to authorize the appropriation and transfer of funds from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund, in an emergency manner; 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 enter into an agreement for engineering services with CH2M Hill, Inc., 1103 Schrock Rd., Suite 400, Columbus, OH 43229-1179, in connection with the Asset Management 2008 - Phase 1: Program Development Project, in accordance with the terms and conditions as shown in the agreement on file in the office of the Division of Sewerage and Drainage.

SECTION 2. That for the purpose of paying the cost of the professional design services contract, the expenditure of \$979,000.00 or as much thereof as may be needed, is hereby authorized from the Sanitary Sewer Revenue Bonds Fund, Fund No. 665 | Division 60-05 | Project No. 650728 | OCA Code 665728 | Object Level 6676.

SECTION 3. That from the unappropriated monies in the Water System Reserve Fund, 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, 2008, the sum of \$979,000.00, is hereby appropriated to the Division of Power and Water, Division 60-09, Object Level One 10, Object level

Three 5502, OCA 695056.

SECTION 4. That the City Auditor is hereby authorized and directed to transfer \$979,000.00, from the Water System Reserve Fund to the Water Works Enlargement Voted Bonds Fund, Fund No. 606, into the appropriate project account as specified within Section 6 herein, at such time as deemed necessary by him, and to expend said funds, or so much thereof as may be necessary.

SECTION 5. 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.

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

690509 | Asset Mgmt. Program Development | \$0 | \$979,000 | (+\$979,000)

SECTION 6. That the appropriation and expenditure of \$979,000.00 is hereby authorized for the Asset Mgmt. Program Development Project within the Water Works Enlargement Voted Bonds Fund, Fund No. 606, Division 60-09, Project No. 690509, Object Level Three 6655, OCA Code 606509.

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 4 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 \$979,000.00 (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 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 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 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 the said firm shall perform the work to the satisfaction of the Director of Public Utilities and the Administrators of the Division of Sewerage and Drainage and Power and Water.

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