



Legislation Text

File #: 1130-2024, **Version:** 1

1. BACKGROUND

This ordinance authorizes the Director of Public Utilities to enter into a construction contract with Underground Utilities, Inc. via the City’s Invitation to Bid process for the Clearview Avenue Area Water Line Improvements, CIP #690236-100130, in an amount up to \$4,419,254.62, and to encumber funds with the Department of Public Service for prevailing wage services in an amount up to \$2,000.00, for a total expenditure of \$4,421,254.62.

The work consists of open-cut installation of approximately 11,000 linear feet of 6-inch, 8-inch, and 10-inch water mains, connecting to existing water taps, installing new private water services to six properties including new interior piping and meters, abandoning an existing water main, and other such work as may be necessary to complete the contract, in accordance with the drawings, technical specifications, special provisions, and City of Columbus Construction and Material specifications set forth in this Invitation For Bid (IFB).

The Columbus Communities are “Olentangy West (38), and Clintonville (39).”

TIMELINE: All work shall be complete within 365 calendar days from the Notice to Proceed. The City anticipates issuing a Notice to Proceed in June 2024.

ESTIMATED COST OF PROJECT:

The bid amount and proposed award amount is \$4,419,254.62, including a 10% construction contingency amount that will be utilized to fund needed and approved changes in the work. No contract modifications are anticipated at this time; however, construction exigency might later compel modification of this contract, if unforeseen difficulties are encountered.

Cost summary:

Original Contract	\$4,419,254.62
Future Anticipated Needs	\$ 0.00
CONTRACT TOTAL	\$4,419,254.62
Davis Bacon charges	<u>\$ 2,000.00</u>
	\$4,421,254.62

2. ECONOMIC IMPACT/ADVANTAGES; COMMUNITY OUTREACH; PROJECT DEVELOPMENT; ENVIRONMENTAL FACTORS/ADVANTAGES OF PROJECT

The goal of this project is to replace or rehabilitate the existing water lines that have a high break frequency. Replacement of these water lines will improve water service, decrease burden on water maintenance operations, and reduce water loss. The Neighborhood Liaison(s) has been contacted and informed of this project during the design phase. Further community outreach may result through the Neighborhood Liaison Program.

3. BID INFORMATION

This project was formally advertised on the Vendor Services and Bid Express websites from February 9, 2024 through March 6, 2024. Three bids were received:

<u>Name</u>	<u>Bid Amount</u>	<u>City/State</u>	<u>Status</u>
Underground Utilities, Inc.	\$4,419,254.62	Columbus, OH	MAJ
Shelly & Sands, Inc.	\$4,639,082.80	Columbus, OH	MAJ
Elite Excavating Co. of Ohio, Inc.	\$4,882,548.55	Columbus, OH	MAJ

Underground Utilities, Inc.'s bid was deemed the lowest, best, most responsive bid.

4. CONTRACT COMPLIANCE INFORMATION

Underground Utilities, Inc.'s contract compliance number is CC006588 and expires 10/25/25.

5. MINORITY AND WOMAN OWNED BUSINESS ENTERPRISE & SMALL LOCAL BUSINESS ENTERPRISE PROGRAM

This contract was bid with an anticipated City of Columbus MBE/WBE Program goal of 15% as assigned by the City's Office of Diversity and Inclusion (ODI). After ODI's review of the Utilization Plan and other related information the contractor submitted with their bid response, ODI has approved an MBE/WBE Program goal of 15% for this contract. Failure to meet this goal will subject Underground Utilities, Inc. to the penalties described in the bid documents.

As part of their proposal, Underground Utilities, Inc. proposed the following subcontractors to perform contract work:

<u>Company Name</u>	<u>City/State</u>	<u>ODI Certification Status</u>
CAP-Stone & Associates, Inc.	Westerville, Ohio	WBE
Strawser Paving Co., Inc.	Columbus, Ohio	MAJ
Chuck's Septic Tank, Sewer & Drain Cleaning, Inc.	Grove City, Ohio	MAJ
Smith Paving & Excavating, Inc.	Norwalk, Ohio	MAJ
Griffin Pavement Striping	Columbus, Ohio	MAJ

The certification of Underground Utilities, Inc. and the above companies was in good standing at the time the bid was awarded.

6. PRE-QUALIFICATION STATUS

Underground Utilities, Inc. and all subcontractors have met code requirements with respect to pre-qualification, pursuant to relevant sections of Columbus City Code Chapter 329.

7. FISCAL IMPACT

Funding for this contract will be obtained through the Ohio Water Development Authority (OWDA) Direct Loan Program. City Council authorized applying for these types of loans and the acceptance of the loan funding via Ordinance 0652-2024, passed by Council on 3/25/24.

The Ohio Water Development Authority (OWDA) Direct Loan Program is a reimbursement program. Purchase orders will need to be established to Underground Utilities, Inc. for these contracts. Public Utilities will need to pay invoices directly to Underground Utilities, Inc. and then submit reimbursement requests based upon these paid invoices to OWDA for OWDA to reimburse Public Utilities.

A transfer of funds from the Water System Reserve Fund, Fund 6003, to the Water-Fresh Water Market Rate Program, Fund 6014 in the amount of \$4,419,254.62 is needed to fund construction for this project. This transaction is a temporary measure that is required until a loan is executed with the OWDA to reimburse the Water System Reserve Fund. The loan is expected to be approved in April 2024. These funds will also need to be appropriated to be transferred and then appropriated after transfer to the new fund. An amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project.

Funds in the amount of \$2,000.00 are budgeted, available, and appropriated within the Water Bond Fund, Fund 6006, to pay the Department of Public Service to provide prevailing wage services for this project. An amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project.

To authorize the Director of the Department of Public Utilities to enter into a construction contract with Underground Utilities, Inc. for the Clearview Avenue Area Water Line Improvements; to authorize an amendment to the 2023 Capital

Improvement Budget; to authorize the appropriation and transfer of funds from the Water System Reserve Fund to the Water-Fresh Water Market Rate Program Fund; to authorize the appropriation and expenditure of up to \$4,419,254.62 from the Water-Fresh Water Market Rate Program Fund for the contract; and to authorize an expenditure of up to \$2,000.00 from the Water Bond Fund to pay for prevailing wage services for the project. (\$4,421,254.62)

WHEREAS, the Department of Public Utilities is engaged in the Clearview Avenue Area Water Line Improvements project; and

WHEREAS, three bids for the Clearview Avenue Area Water Line Improvements project were received and opened on March 6, 2024; and

WHEREAS, the bid from Underground Utilities, Inc. was determined to be the lowest, responsive, and responsible bid; and

WHEREAS, it is necessary to authorize the Director of the Department of Public Utilities to enter into a construction services contract with Underground Utilities, Inc. for the Clearview Avenue Area Water Line Improvements project; and

WHEREAS, Ordinance 0652-2024 authorized the use of loans from the Ohio Water Development Authority (OWDA) Direct Loan Program to finance Public Utilities projects; and

WHEREAS, loan applications will be submitted to OWDA to finance this project; and

WHEREAS, the 2023 Capital Improvements Budget must be modified to align budget authority with the proper project; and

WHEREAS, it is necessary to both appropriate and transfer funds from the Water System Reserve Fund, Fund 6003, to the Water-Fresh Water Market Rate Program Fund, Fund 6014, in order to temporarily fund this expenditure until such time as the City receives loan proceeds from the Ohio Water Development Authority to reimburse the Water System Reserve Fund; and

WHEREAS, it is necessary to appropriate and expend funds from the Water-Fresh Water Market Rate Fund, Fund 6014, to pay for the construction of this project; 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 services of the Project described in this Ordinance (collectively, the “Project”); and

WHEREAS, it is necessary to authorize an expenditure of funds within the Water Bond Fund, Fund 6006, to pay for the prevailing wage services for the project; **NOW THEREFORE**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the 2023 Capital Improvements Budget authorized by Ordinance 1711-2023 be amended as follows to establish sufficient budget authority for this project:

Fund / Project Number / Project Name (Funding Source) / Current Authority / Revised Authority / Change
6014 / 690236-100130 / Clearview Avenue Area WL Imps (fka #71) (OWDA Direct Loan) / \$0.00 / \$4,419,255.00 / \$4,419,255.00 (To match loan amount)
6006 / 690236-100120 / Newton/Bedford WL Imp’s (Voted Water Carryover) / \$46,763.00 / \$44,763.00 / (\$2,000.00)
6006 / 690236-100130 / Clearview Avenue Area WL Imps (fka #71) (Voted Water Carryover) / \$0.00 / \$2,000.00 / \$2,000.00

SECTION 2. 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 ending December 31, 2024, the sum of \$4,419,254.62 is appropriated in the Water System Reserve Fund, Fund 6003, per the account codes in the attachment to this ordinance.

SECTION 3. That the transfer of \$4,419,254.62, or so much thereof as may be needed, is hereby authorized between the Water System Reserve Fund, Fund 6003, and the Water-Fresh Water Market Rate Program, Fund 6014, per the account codes in the attachment to this ordinance.

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 ending December 31, 2024, the sum of \$4,419,254.62 is appropriated in the Water-Fresh Water Market Rate Program, Fund 6014, per the account codes in the attachment to this ordinance.

SECTION 5. That the Director of Public Utilities is hereby authorized to enter into a construction services contract for the Clearview Avenue Area Water Line Improvements project with Underground Utilities, Inc., 416 W. Monroe Street, PO Box 428, Monroeville, OH 44847, in an amount up to \$4,419,254.62, in accordance with the terms and conditions of the contract on file in the Department of Public Utilities; and to expend up to \$2,000.00 to pay the Department of Public Service to perform prevailing wage services for the contract.

SECTION 6. That the expenditure of \$4,421,254.62, or so much thereof as may be needed, is hereby authorized to pay for this contract per the accounting codes in the attachment to this ordinance.

SECTION 7. That upon obtaining other funds for the purpose of funding water capital improvement work, the City Auditor is hereby authorized to repay the Water System Reserve Fund the amount transferred above (Section 3), and said funds are hereby deemed appropriated for such purposes.

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 \$4,419,254.62 (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, Fund 6003, which is the fund from which the advance for costs of the Project will be made.

SECTION 9. Funds are hereby deemed appropriated and expenditures and transfers authorized to carry out the purposes of this ordinance and the City Auditor shall establish such accounting codes as necessary.

SECTION 10. 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 11. That the City Auditor is authorized to transfer the unencumbered balance in a project account to the unallocated balance account 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.

SECTION 12. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.