



## Legislation Details (With Text)

**File #:** 2450-2018      **Version:** 1

**Type:** Ordinance      **Status:** Passed

**File created:** 8/31/2018      **In control:** Public Service & Transportation Committee

**On agenda:** 9/24/2018      **Final action:** 9/25/2018

**Title:** To authorize and direct the City Auditor to appropriate funds within the Special Income Tax Fund and the Streets and Highways Bond Fund; to authorize the City Auditor to transfer cash and appropriation between the Special Income Tax Fund and the Streets and Highway Bonds Fund; to authorize the City Auditor to cancel the Auditor's Certificate associated with Ordinance 1951-2018 and to establish a new Auditor's Certificate to support the expenditure contemplated in this ordinance; to authorize the Director of Public Service to enter into a Reimbursement Agreement with OhioHealth Corporation in connection with the SR-315 at North Broadway - Interchange Project 2; to authorize the expenditure of up to \$1,600,000.00 within the Streets and Highways Bond Fund; and to declare an emergency. (\$1,600,000.00)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ordinance 2450-2018 Accounting Codes

Date	Ver.	Action By	Action	Result
9/27/2018	1	CITY CLERK	Attest	
9/25/2018	1	MAYOR	Returned Unsigned	
9/24/2018	1	COUNCIL PRESIDENT	Signed	
9/24/2018	1	Columbus City Council	Approved	Pass

### 1. BACKGROUND

This ordinance seeks authorization for the Director of Public Service to enter into a Reimbursement Agreement with OhioHealth Corporation ("OhioHealth") in the amount of up to \$1,600,000.00 for costs associated with purchasing steel necessary for the completion of the SR-315 at North Broadway - Interchange Project 2 (the "Project").

The Project will be the next phase of improvements to the SR-315, West North Broadway, and Olentangy River Road interchange and encompasses the construction of a new bridge carrying SR-315 over a new southbound ramp to West North Broadway, and various improvements to the SR-315 northbound exit to West North Broadway, the intersection of Olentangy River Road and Thomas Lane/SR-315 southbound exit ramp, and the intersection of West North Broadway and the driveway to Riverside Methodist Hospital.

The City anticipates opening bids for the Project in October 2018 and issuing a Notice to Proceed in November 2018. The steel girders, bearings, and miscellaneous accessories needed to complete the Project currently have a six to nine month lead time from placement of order to delivery. For the newly constructed ramp to be opened to traffic in July 2019, the steel must be delivered by March 2019. Therefore, in an effort to meet the Project's construction completion date, it is necessary for OhioHealth to purchase the necessary steel materials in advance of the City commencing construction of the Project.

Ordinance 1951-2018 authorized the Director of Finance and Management to enter into contract(s) on behalf of the Department of Public Service for the purchase of steel necessary for the completion of the Project and authorized the City

Auditor to establish an Auditor's Certificate in the amount of \$1,600,000.00 for that purpose. Pursuant to that legislation, the Department of Finance and Management issued a formal Invitation to Bid, which generated one response. That bid exceeded the amount allocated for the aforesaid purchase by almost 50%, and the steel would have been delivered two months later than needed. The City elected to cancel that bid without awarding a contract and decided the City would not rebid it.

In an effort to meet the current construction completion date, it is necessary for OhioHealth to purchase the needed steel materials in advance of the City commencing construction of the Project. To that end, the Daimler Group, Inc. ("Daimler"), acting on behalf of OhioHealth, will issue a bid to facilitate that purchase. This legislation authorizes the execution of a Reimbursement Agreement between the Department of Public Service and OhioHealth to recompense OhioHealth for costs incurred relative to its agreement with Daimler for that purchase.

## **2. CONTRACT COMPLIANCE INFORMATION**

The contract compliance number for OhioHealth is CC006104, which expires April 17, 2019.

## **3. FISCAL IMPACT**

Funds in the amount of \$1,600,000.00 are budgeted within the Department of Public Service's 2018 Capital Improvement Budget for this expenditure. Funds will not be available for use by the Department of Public Service until the proceeds of the bond sale are received later this year. Therefore, it is necessary to certify the needed funds against the Special Income Tax Fund. A transfer of funds between the Special Income Tax Fund and the Streets and Highways Bond Fund is required for the purpose of establishing sufficient budget authority and cash for the aforementioned project. The expenditure of funds contemplated herein is to reimburse OhioHealth for payment(s) made to Daimler, which, in its capacity as a contractor for OhioHealth on the completion of other improvements related to the Project, will be issuing a bid to procure the steel girders, bearings, and miscellaneous accessories needed to complete the Project on behalf of OhioHealth. The City shall not be a party to any agreements between OhioHealth and Daimler for that purpose nor shall the City make any payment to Daimler relative to that purchase.

## **4. EMERGENCY DESIGNATION**

Emergency action is requested to allow for the timely execution of the reimbursement agreement between the Director of Public Service and OhioHealth Corporation, which is necessary to facilitate the proposed improvements in order to maintain the project schedule and meet community commitments.

To authorize and direct the City Auditor to appropriate funds within the Special Income Tax Fund and the Streets and Highways Bond Fund; to authorize the City Auditor to transfer cash and appropriation between the Special Income Tax Fund and the Streets and Highway Bonds Fund; to authorize the City Auditor to cancel the Auditor's Certificate associated with Ordinance 1951-2018 and to establish a new Auditor's Certificate to support the expenditure contemplated in this ordinance; to authorize the Director of Public Service to enter into a Reimbursement Agreement with OhioHealth Corporation in connection with the SR-315 at North Broadway - Interchange Project 2; to authorize the expenditure of up to \$1,600,000.00 within the Streets and Highways Bond Fund; and to declare an emergency. (\$1,600,000.00)

**WHEREAS**, the Department of Public Service is engaged in the SR-315 at North Broadway - Interchange Project 2 (the "Project"), which encompasses the construction of a new bridge carrying SR-315 over a new southbound ramp to West North Broadway; and

**WHEREAS**, due to the long lead time associated with purchasing steel materials, it is necessary for OhioHealth to purchase the steel required to complete the Project in advance of the City commencing construction of the Project; and

**WHEREAS**, this ordinance authorizes the Director of Public Service to enter into a Reimbursement Agreement with OhioHealth in the amount of up to \$1,600,000.00 for costs associated with purchasing steel materials necessary to complete the Project; and

**WHEREAS**, this ordinance authorizes the Director of Public Service to approve the selection of the supplier; and

**WHEREAS**, it is necessary to transfer funds from the Special Income Tax Fund to fund this project; and

**WHEREAS**, the City will reimburse the Special Income Tax Fund; and

**WHEREAS**, this transfer should be considered as a temporary funding method; and

**WHEREAS**, the aggregated principal amount of obligations which the City will issue to finance the reimbursement agreement for the purchase of the steel is presently expected not to exceed \$1,600,000.00; 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 project described in this ordinance (the "Project"); and

**WHEREAS**, an emergency exists in the usual daily operation of the Department of Public Service in that it is immediately necessary to authorize said reimbursement agreement and the expenditure of such funds so as to maintain the project schedule and meet community commitments; thereby immediately preserving the public health, peace, property, safety and welfare; **now, therefore:**

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

**SECTION 1.** 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, 2018, the sum of \$1,600,000.00 is hereby appropriated in Fund 4430 (Special Income Tax Fund), Dept-Div 2201 (City Auditor), in Object Class 10 (Transfer Out Operating), and in Fund 7704 (Streets and Highways Bond Fund), Dept-Div 5912 (Division of Design and Construction), Project P441759-100006 (SR-315 at North Broadway - Interchange Project 2), in Object Class 06 (Capital Outlay) per the account codes in the attachment to this ordinance.

**SECTION 2.** That the transfer of \$1,600,000.00, or so much thereof as may be needed, is hereby authorized from Fund 4430 (Special Income Tax Fund), Dept-Div 59-12 (Division of Design and Construction) to Fund 7704 (Streets and Highways Bond Fund), Dept-Div 5912 (Division of Design and Construction), per the account codes in the attachment to this ordinance.

**SECTION 3.** That the monies appropriated in the foregoing Section 1 shall be paid upon order of the Director of Public Service and that no order shall be drawn or money paid except by voucher, the form of which shall be approved by the City Auditor.

**SECTION 4.** That upon obtaining other funds for this project, the City Auditor is hereby authorized to repay the Special Income Tax Fund the amount transferred under Section 2 above, and said funds are hereby deemed appropriated for such purpose.

**SECTION 5.** 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 \$1,600,000.00 (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 fund from which the advance for costs of the Project will be made.

**SECTION 6.** That the City Auditor is hereby authorized to cancel the Auditor's Certificate associated with Ordinance

1951-2018 and to establish a new Auditor's Certificate to support the expenditure contemplated in Section 8 of this ordinance.

**SECTION 7.** That the Director of the Department of Public Service be and hereby is authorized to enter into a Reimbursement Agreement with OhioHealth Corporation, 180 East Broad Street, 34th Floor, Columbus, Ohio 43215, pursuant to Section 186 of the Columbus City Charter, to purchase steel materials necessary to construct the SR-315 at North Broadway - Interchange Project 2 in an amount of up to \$1,600,000.00.

**SECTION 8.** That the expenditure of \$1,600,000.00, or so much thereof as may be needed, is hereby authorized in Fund 7704 (Streets and Highways Bond Fund), Dept-Div 5912 (Division of Design and Construction), Project P441759-100006 (SR-315 at North Broadway - Interchange Project 2), in Object Class 06 (Capital Outlay) per the accounting codes in the attachment to this ordinance.

**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 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 hereby 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 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 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.