



Legislation Details (With Text)

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File created: 4/14/2023 **In control:** Public Utilities Committee

On agenda: 6/5/2023 **Final action:** 6/9/2023

Title: To authorize an amendment to the 2022 Capital Improvement Budget; to authorize the appropriation and transfer of funds from the Water System Reserve Fund to the Water Supply Revolving Loan Account Fund; to authorize the Director of the Department of Public Utilities to enter into a construction contract with Kokosing Industrial, Inc., for the PAWP - Lime Slaker & Soda Ash Feeder Replacement project; to authorize the appropriation and expenditure of up to \$11,783,000.00 from the Water Supply Revolving Loan Account Fund for the contract; and to authorize the expenditure of up to \$2,000.00 from the Water Bond Fund to pay for prevailing wage services for the project. (\$11,785,000.00)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Kokosing Utilization.pdf, 2. ORD 1203-2023 Accounting Template.pdf

Date	Ver.	Action By	Action	Result
6/9/2023	1	CITY CLERK	Attest	
6/8/2023	1	MAYOR	Signed	
6/5/2023	1	COUNCIL PRESIDENT	Signed	
6/5/2023	1	Columbus City Council	Approved	Pass
5/22/2023	1	Columbus City Council	Read for the First Time	

1. BACKGROUND

This ordinance authorizes the Director of Public Utilities to enter into a construction contract with Kokosing Industrial, Inc., for the PAWP - Lime Slaker & Soda Ash Feeder Replacement project, C.I.P. No. 690291-100002, in an amount up to \$11,783,000.00, and to encumber funds with the Department of Public Service for prevailing wage services in an amount up to \$2,000.00 for the project.

The work for this project consists of the replacement of the existing PAWP lime slakers (3 total) and soda ash feeders (2 total), (constructed in 1981), that are past their useful life. Due to the age and deterioration of the slakers and soda ash feeders, replacement have been designed to avoid additional repairs and parts replacements.

The Community Area for this ordinance will be 99 Citywide since the PAWP services several Columbus communities.

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

This project involves replacement of the existing PAWP lime slakers (3 total) and soda ash feeders (2 total), (constructed in 1981), that are past their useful life. This will improve the reliability of the water distribution system. Coordination will occur with nearby customers, including businesses, prior to and during construction.

3. CONSTRUCTION CONTRACT AWARD

An Invitation for Bids for the PAWP - Lime Slaker & Soda Ash Feeder Replacement project was advertised on the Vendor Services and Bid Express websites from 2/17/23 through 3/22/23. One bid was received for the project and was opened

on 3/22/23. The following company submitted a bid:

<u>Company</u>	<u>Bid Amount</u>	<u>Compliance Number</u>	<u>ODI Status</u>
Kokosing Industrial, Inc.	\$11,783,000.00	CC012309	MAJ

The Kokosing Industrial, Inc. bid was deemed the lowest, best, most responsive and responsible bid in the amount of \$11,783,000.00.

As part of their proposal, Kokosing Industrial, Inc. has proposed the following subcontractors to perform contract work:

<u>Company Name</u>	<u>City/State</u>	<u>ODI Certification Status</u>
Capital City Mechanical	Grove City, Ohio	MAJ
Claypool Electric	Columbus, Ohio	WBE
Howard Painting, Inc.	Defiance, Ohio	MAJ
Martin Painting & Coating Co.	Grove City, Ohio	MAJ
Multivista	Westerville, Ohio	MBE
Spectra Contract Flooring	Columbus, Ohio	Registering

The certification of the above companies was in good standing at the time the bid was awarded.

4. CONTRACT COMPLIANCE INFORMATION

Kokosing Industrial, Inc.'s contract compliance number is CC012309 and expires 6/2/23.

Searches in the Excluded Party List System (Federal) and the Findings for Recovery list (State) produced no findings against Kokosing Industrial, Inc.

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 14% 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 14% for this contract. Failure by the contractor to meet this goal subjects the contractor to the Penalties for Non-Compliance as described in the "City's Minority and Women-Owned Business Enterprise & Small Local Business Enterprise Program Manual" and in the bid documents for this contract.

6. PRE-QUALIFICATION STATUS

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

7. FISCAL IMPACT

The construction portion of this project is expected to be financed with a loan from the Water Supply Revolving Loan Account (WSRLA). A transfer of funds from the Water System Reserve Fund, Fund 6003, to the Water Supply Revolving Loan Account Fund, Fund 6011, in the amount of \$11,783,000.00 is needed to fund construction for this project. This transaction is a temporary measure that is required until a loan is executed with the Ohio EPA to reimburse the Water System Reserve Fund. The loan is expected to be approved in April, 2023.

Funds in the amount of \$2,000.00 for prevailing wage services are available and appropriated within the Water Bond Fund, Fund 6006. An amendment to the 2022 Capital Improvement Budget is needed to align budget authority with the proper project.

To authorize an amendment to the 2022 Capital Improvement Budget; to authorize the appropriation and transfer of funds from the Water System Reserve Fund to the Water Supply Revolving Loan Account Fund; to authorize the Director of the Department of Public Utilities to enter into a construction contract with Kokosing Industrial, Inc., for the PAWP - Lime Slaker & Soda Ash Feeder Replacement project; to authorize the appropriation and expenditure of up to \$11,783,000.00

from the Water Supply Revolving Loan Account Fund for the contract; and to authorize the expenditure of up to \$ 2,000.00 from the Water Bond Fund to pay for prevailing wage services for the project. (\$11,785,000.00)

WHEREAS, the Department of Public Utilities is engaged in the PAWP - Lime Slaker & Soda Ash Feeder Replacement project; and

WHEREAS, one bid for the PAWP - Lime Slaker & Soda Ash Feeder Replacement project were received and opened on 2/17/23; and

WHEREAS, the lowest, best, most responsive and responsible bid was from Kokosing Industrial, Inc. in the amount of \$11,783,000.00; and

WHEREAS, it is necessary to authorize an amendment to the 2022 Capital Improvements Budget for the purpose of providing sufficient budget authority for the aforementioned project expenditures; and

WHEREAS, it is necessary to both appropriate and transfer funds from the Water System Reserve Fund and to authorize the transfer of said funds into the Water Supply Revolving Loan Account 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 funds transferred into the Water Supply Revolving Loan Account Fund must be appropriated; 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, it is necessary to authorize the Director of the Department of Public Utilities to enter into a construction contract with Kokosing Industrial, Inc. for the project; and

WHEREAS, it is necessary to authorize an expenditure of funds from the Water Supply Revolving Loan Account Fund to pay for this project; and

WHEREAS, it is necessary to authorize the Director of the Department of Public Utilities to encumber and expend funds to provide for payment of prevailing wage services associated with said project; **NOW, THEREFORE,**

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

SECTION 1. That the 2022 Capital Improvement Budget authorized by Ordinance 1896-2022 be amended as follows to establish sufficient budget authority for this project:

Fund / Project Number / Project Name (Funding Source) / Current Authority/ Revised Authority / Change
6011 / 690291-100002 / PAWP - Lime Slaker & Soda Ash Feeder Replacement (WSRLA Loan) / \$0.00 / \$11,783,000.00 / \$11,783,000.00 (To match the amount to be borrowed from the loan fund)

6006 / 690597-100000 / Hudson Street 24" Water Line Improvements (Voted Water Carryover) / \$294,146.00/ \$292,146.00 / (\$2,000.00)

6006 / 690291-100002 / PAWP - Lime Slaker & Soda Ash Feeder Replacement (Voted Water Carryover) / \$357,300.00 / \$359,300.00 / \$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, 2023, the sum of \$11,783,000.00 is appropriated in the Water System Reserve Fund, Fund 6003, per the account codes in the funding attachment to this ordinance.

SECTION 3. That the transfer of \$11,783,000.00 or so much thereof as may be needed, is hereby authorized between the Water System Reserve Fund, Fund 6003, and the Water Supply Revolving Loan Account Fund, Fund 6011, per the accounting codes in the attachment to this ordinance.

SECTION 4. That the transfer of \$2,000.00 or so much thereof as may be needed, is hereby authorized within the Water G. O. Bond Fund, Fund 6006, per the accounting codes in the attachment to this ordinance.

SECTION 5. That the appropriation of \$11,783,000.00, or so much thereof as may be needed, is hereby authorized in the Water Supply Revolving Loan Account Fund, Fund 6011, per the accounting codes in the attachment to this ordinance.

SECTION 6. That the Director of Public Utilities is hereby authorized to enter into a construction contract for the PAWP - Lime Slaker & Soda Ash Feeder Replacement project with Kokosing Industrial, Inc., 6235 Westerville Road, Westerville, Ohio 43081, in an amount up to \$11,783,000.00; in accordance with the terms and conditions of the contract on file in the Department of Public Utilities; and to obtain the necessary prevailing wage services for this project from the Department of Public Services in an amount up to \$2,000.00.

SECTION 7. That the expenditure of \$11,785,000.00, 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 8. 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 above (Section 3), and said funds are hereby deemed appropriated for such purposes.

SECTION 9. 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 \$11,783,000.00 (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 Water System Reserve Fund, Fund 6003, which is the fund from which the advance for costs of the Project will be made.

SECTION 10. 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 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 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 13. That this ordinance shall take effect and be in force from and after the earliest period allowed by law.