



Legislation Text

File #: 0364-2019, **Version:** 1

This ordinance authorizes the Director of Public Utilities to modify and increase contract #EL011028 with Ohio Power Company dba American Electric Power (AEP) to provide funding for the payment of 2019 pole attachment rental fees for the Division of Power, in accordance with an existing agreement for the Joint Use of Poles (the "Agreement") executed by the city and Columbus Southern Power dba AEP. Columbus consented to the assignment of the Agreement by Columbus Southern Power to Ohio Power Company through the passage of ORD #0317-2014.

The City of Columbus, Division of Power, and Ohio Power Company dba American Electric Power (AEP) own and operate electric transmission and distribution system facilities throughout Franklin County. Each party owns certain poles which have equipment owned by the other party attached to such poles. The Agreement provides the terms, conditions and rates to be paid for the joint use of poles. Per the terms of the Agreement, an inventory of jointly used poles was conducted in 2012. The Agreement provides that, in the event a pole inventory discloses any attachments that were not previously authorized by the pole owner, the attaching party is to pay annual charges for the attachments for a period of five (5) years or the period from the date of the last inventory, whichever is less, plus interest, at the current Interest Rate.

A pending invoice from AEP for annual rental fees in the amount of \$162,240.00 for the period of January 1, 2019 through December 31, 2019 must be paid.

For annual rental fees going forward, the contract modification provides that funds will be approved annually by ordinance of City Council.

This Ordinance is being submitted in accordance with the relevant provisions of Chapter 329 of City Code pertaining to contract modifications.

SUPPLIER: Ohio Power Company dba American Electric Power (AEP), DAX Vendor #006032, EIN #31-4271000, Expires February 6, 2021.

Ohio Power Company dba American Electric Power (AEP) does not hold MBE / FBE status.

The company is not debarred according to the Excluded Party Listing System of the Federal Government or prohibited from being awarded a contract according to the Auditor of State Unresolved Findings for Recovery Certified Search.

1. Amount of additional funds: The total amount of additional funds needed for this contract modification #10 is ADD \$162,240.00. Total contract amount including this modification is \$1,812,744.57.
2. Reason additional funds were not foreseen: The need for additional funds was known at the time of the initial contract. This legislation authorizes an increase in the amount of the contract to cover the payment of rental fees for 2019.
3. Reason other procurement processes were not used: This modification is a continuation of the original contract for the payment of rental fees for the joint use of poles owned by AEP.
4. How cost was determined: The modification is based upon a set annual attachment rental fee charged for each pole attachment, for 2019, and any arrearage charges for attachments added during 2018.

FISCAL IMPACT: \$162,240.00 is needed for this expense. \$157,370.00 was budgeted. Funds within the 2019 Operating Budget will be reprioritized to cover the additional annual attachment fee arrearage expense due to more attachments being added than anticipated during 2018, resulting in the budget shortfall for 2019.

\$158,370.00 was spent in 2018

\$154,500.00 was spent in 2017

EMERGENCY DESIGNATION: Emergency action is requested in order to process payment of the 2019 rental fees, and the 2018 arrearage of annual attachment fees for those attachments added during 2018, in a timely manner.

To authorize the Director of Public Utilities to modify and increase the contract for Joint Use of Poles with Ohio Power Company, dba American Electric Power, for the Division of Power; to authorize the expenditure of \$162,240.00 from the Electricity Operating Fund; and to declare an emergency. (\$162,240.00)

WHEREAS, the Division of Power and Ohio Power Company dba American Electric Power (AEP) own and operate electric transmission and distribution system facilities throughout Franklin County; and

WHEREAS, each party owns certain poles which have facilities owned by the other party attached to such poles; and

WHEREAS, an agreement signed in 2002 between Columbus Southern Power and the City of Columbus authorized the terms, conditions and rates to be paid for the joint use of poles; and

WHEREAS, on April 1, 2012 the Public Utilities Commission of Ohio (PUCO) approved AEP Ohio's Electric Security Plan which authorized the merging of its two operating companies, Columbus Southern Power and Ohio Power with the Ohio Power Company the surviving entity; and

WHEREAS, with the merger, Columbus Southern Power's contractual obligations were assigned to the Ohio Power Company; and

WHEREAS, Columbus consented to the assignment of the Agreement for Joint Use of Poles by Columbus Southern Power to Ohio Power Company dba American Electric Power through the passage of ORD #0317-2014; and

WHEREAS, it is necessary to modify and increase the existing contract with Ohio Power Company dba American Electric Power to provide for the payment of joint use of poles rental fees for the period of January 1, 2019 through December 31, 2019 and for the arrearage of annual attachment fees for attachments added during 2018; and

WHEREAS, this ordinance is being submitted in accordance with the relevant provisions of Chapter 329 of City Code pertaining to contract modifications; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities, Division of Power, in that it is immediately necessary to authorize the Director of Public Utilities to modify and increase the current contract for Joint Use of Poles with Ohio Power Company dba AEP to process payment of the 2019 rental fees, and the 2018 arrearage of annual attachment fees for those attachments added during 2018, in a timely 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 is hereby authorized to modify and increase the current contract with Ohio Power Company, dba American Electric Power (AEP), for the payment of 2019 rental fees, and the 2018 arrearage of annual attachment fees for those attachments added during 2018, for the Department of Public Utilities, in accordance with the terms and conditions as shown in the Joint Use of Poles Agreement on file in the Office of the Division of Power. Total amount of modification No. 10 is ADD \$162,240.00. Total contract amount including this

modification is \$1,812,744.57.

SECTION 2. That the expenditure of \$162,240.00, or so much thereof as may be needed, is hereby authorized in Fund 6300 Electricity Operating Fund, in object class 03 Services per the accounting codes in the attachment to this ordinance.

SECTION 3. 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 4. That this modification is in accordance with the relevant provisions of Chapter 329 of City Code relating to contract modifications.

SECTION 5. 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.