



Legislation Text

File #: 1306-2020, **Version:** 1

1. BACKGROUND: This legislation authorizes the Director of Public Utilities to enter into a construction contract with Shelly & Sands, Inc. for the Scioto Peninsula Sanitary, Storm, and Water Improvements Project, CIP No's 650885-100001 & 690236-100141, in an amount up to \$6,640,826.91. This is a joint project between the Division of Sewerage and Drainage, the Division of Water, and Department of Finance and Management. Work includes construction of new storm sewers in Belle Street, Starling Street, Capital Street, Rush Alley, State Street, Chapel Street and on Rich Street from Belle Street west to the CSX railroad. New sanitary sewers will be constructed in Belle Street, in Town Street, and in a portion of Starling Street to serve the Scioto Peninsula area. Water line work consists of rehabilitating or replacing approximately 4,140 feet of 6-inch to 12-inch water line.

Planning Area = 55 - Downtown

This project has been approved for below market-rate loan financing through the Ohio Environmental Protection Agency's Water Pollution Control Loan Fund (WPCLF) which is administered by the Ohio Water Development Authority (OWDA). The loan award is expected in July 2020 when an OWDA Loan Account number will be assigned. Federal Davis-Bacon Wage Rates and Requirements will apply.

Funds in the amount of \$769,486.88 will also be encumbered for construction inspection and prevailing wage charges for the Department of Public Service.

2. THE PROJECT TIMELINE: Final work is required to be completed in a manner acceptable to the City within 425 days from the Notice to Proceed (NTP) date.

3. CONSTRUCTION CONTRACT AWARD: The Director of Public Utilities publicly opened six (6) bids on May 20, 2020 from Shelly & Sands, Fields Excavating, Complete General Construction, George J. Igel & Co., John Eramo & Sons, and Elite Excavating Co. of Ohio.

Shelly & Sands's bid was deemed the lowest, best, most responsive and responsible bid in the amount of \$6,640,826.91. Their Contract Compliance Number is 31-4351261 (expires 2/21/22, Majority) and their DAX Vendor No. is 6043. Additional information regarding all bidders, description of work, contract time frame, and detailed amounts can be found on the attached Information form.

Searches in the Excluded Party List System (Federal) and the Findings for Recovery list (State) produced no findings against Shelly & Sands.

3.1 PRE-QUALIFICATION STATUS: Shelly & Sands and all proposed subcontractors have met code requirements with respect to pre-qualification, pursuant to relevant sections of Columbus City Code Chapter 329.

4. ECONOMIC/ENVIRONMENTAL IMPACT: The project will renew aging sewer infrastructure, help reduce overflows and water in basement occurrences, and facilitate redevelopment of the oldest section of the City of Columbus. Sewer treatment costs will also be reduced because some runoff will be directed away from the treatment plant.

The goal of the water line work 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. Further community

outreach may result through the Neighborhood Liaison Program.

5. EMERGENCY DESIGNATION: A Department of Public Service roadway replacement project and four large developments are all dependent on the infrastructure this project will construct in order to have sewer outlets to connect into. All five of these endeavors will begin construction in 2020. Public Utilities desires to complete as much of this project within the 2020 construction season as possible.

6. FISCAL IMPACT: Funding for this project will come from the Ohio Water Development (OWDA) Loan Fund, the Water G.O. Bonds Fund, and the Sanitary G.O. Bonds Fund.

Finance and Management's share will be paid by the Sanitary G.O. Bonds Fund to be reimbursed at a later date.

An appropriation and transfer of funds from the Sanitary Sewer Reserve Fund - Fund No. 6102 to the Ohio Water Development (OWDA) Loan Fund - Fund No. 6111 will be needed. This is a temporary transaction that is required until the Division is able to execute an OWDA Loan Fund and reimburse the Sanitary Sewer Reserve Fund. The loan is expected to be approved in July 2020.

There are sufficient funds within the Water G.O. Bonds Fund - Fund No. 6006.

There are sufficient funds within the Sanitary G.O. Bonds Fund - Fund No. 6109.

An amendment to the 2019 Capital Improvements Budget will also be necessary.

To authorize the Director of Public Utilities to enter into a construction contract with Shelly & Sands, Inc. for the Scioto Peninsula Sanitary, Storm, and Water Improvements Project in an amount up to \$6,640,826.91; to authorize the appropriation and transfer of \$5,675,478.33 from the Sanitary Sewer Reserve Fund to the Ohio Water Development (OWDA) Loan Fund; to authorize the appropriation and expenditure of \$5,675,478.33 from the Ohio Water Development (OWDA) Loan Fund; to authorize an expenditure up to \$706,283.20 within the Sanitary General Obligations Voted Bonds Fund; to authorize a transfer and expenditure up to \$1,028,552.26 within the Water General Obligations Bonds Fund; to amend the 2019 Capital Improvements Budget; and to declare an emergency. (\$7,410,313.79)

WHEREAS, six (6) bids for the Scioto Peninsula Sanitary, Storm, and Water Improvements Project were received and publicly opened in the offices of the Director of Public Utilities on May 20, 2020; and

WHEREAS, the lowest, best, most responsive and responsible bid was from Shelly & Sands in the amount of \$6,640,826.91; and

WHEREAS, it is necessary to authorize the Director of the Department of Public Utilities to award and execute a construction contract with Shelly & Sands, Inc. and to encumber and expend funds to provide for payment of construction inspection and prevailing wage charges for the Division of Sewerage and Drainage's Scioto Peninsula Sanitary, Storm, and Water Improvements Project; and

WHEREAS, it is necessary to both appropriate funds from the Sewer System Reserve Fund - Fund 6102 and to authorize the transfer of said funds to the OWDA Loan Fund - Fund No. 6111 in order to temporarily fund this expenditure until such time as the City receives loan proceeds for the above stated purpose and reimburse the Sewer System Reserve Fund; and

WHEREAS, the aggregated principal amount of obligations which the City will issue to finance this project is presently

not expected to exceed \$5,675,478.33; 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 a transfer and expenditure within the Water G.O. Voted Bonds Fund - Fund No. 6006; and

WHEREAS, it is necessary to authorize expenditures within the OWDA Loan Fund - Fund No. 6111 and the Sanitary G.O. Voted Bonds Fund - Fund No. 6109; and

WHEREAS, it is necessary to authorize an amendment to the 2019 Capital Improvements Budget for the purpose of providing sufficient spending authority for the aforementioned project expenditures; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities, Division of Sewerage and Drainage, in that it is immediately necessary to authorize the Director of Public Utilities to enter into a construction contract with Shelly & Sands, Inc. for the Scioto Peninsula Sanitary, Storm, and Water Improvements Project; in an emergency manner as five other projects are contingent on this project remaining on schedule; for the immediate preservation of the public health, peace, property, safety; **now, therefore**

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

SECTION 1. That the Director of Public Utilities is hereby authorized to enter into a construction contract with Shelly & Sands, Inc., 1515 Harmon Ave., Columbus Ohio 43223, for the Scioto Peninsula Sanitary, Storm, and Water Improvements Project in accordance with the terms and conditions on file in the office of the Division of Sewerage and Drainage in an amount up to \$6,640,826.91 and to obtain the necessary construction inspection and prevailing wage charges from the Department of Public Service up to a maximum amount of \$769,486.88.

SECTION 2. That from the unappropriated monies in the Sanitary Sewer Reserve Fund - Fund No. 6102 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, 2020, the sum of \$5,675,478.33 is appropriated in Fund 6102, per the account codes in the funding attachment to this ordinance.

SECTION 3. That the transfer of \$5,675,478.33 or so much thereof as may be needed, is hereby authorized between the Sanitary Sewer Reserve Fund - Fund No. 6102 and the OWDA Loan Fund - Fund No. 6111, per the accounting codes in the attachment to this ordinance.

SECTION 4. That the transfer of \$1,028,552.26 or so much thereof as may be needed, is hereby authorized within the Water G.O. Bond Fund - Fund No. 6006, per the accounting codes in the attachment to this ordinance.

SECTION 5. That the 2019 Capital Improvements Budget is hereby amended, as follows:

Fund No. 6111 (Sewer OWDA Loan Fund):

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

P650885-100001 (NEW) | Scioto Peninsula Imp’s | \$0 | \$5,675,478 | +\$5,675,478 (establish authority to match expenditure)

Fund No. 6006 (Water G.O. Bonds):

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

P690236-100117 (NEW) | Oakland Park / Medina WL Imp's | \$1,150,000 | \$121,448 | -\$1,028,552
P690236-100141 (NEW) | Scioto Peninsula WL Imp's | \$0 | \$1,028,552 | +\$1,028,552

Fund No. 6109 (Sewer G.O. Bonds):

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

P650885-100000 (NEW) | Scioto Peninsula Imp's | \$1,000,000 | \$293,717 | -\$706,283
P650885-100001 (NEW) | Scioto Peninsula Imp's - Belle Town | \$0 | \$706,283 | +\$706,283

SECTION 6. That the expenditure up to \$7,410,313.79, or so much thereof as may be needed, is hereby authorized per the accounting codes in the attachment to this ordinance.

SECTION 7. That the said company, Shelly & Sands, shall perform the work to the satisfaction of the Director of Public Utilities and the Administrators of the Division of Sewerage and Drainage and Division of Water.

SECTION 8. 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 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 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 upon obtaining other funds for the purpose of funding sanitary sewer system capital improvement work, the City Auditor is hereby authorized to repay the Sanitary Sewer Reserve Fund the amount transferred above (SECTION 3), and said funds are hereby deemed appropriated for such purposes.

SECTION 13. 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 \$5,675,478.33 (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 Sanitary/Sewer Reserve Fund - Fund No. 6102, which is the fund from which the advance for costs of the Project will be made.

SECTION 14. That for reasons stated in the preamble hereto, which is hereby made a part hereof, this Ordinance is 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.