



Legislation Text

File #: 2304-2020, **Version:** 1

1.0 BACKGROUND: This legislation authorizes the Director of Public Utilities to enter into a construction contract with Kokosing Industrial, Inc. for the Dublin Road Water Plant (DRWP) - Basin Clarifier Rehabilitation Project (hereinafter designated as “DRWP Basin Clarifier Rehabilitation Project”) in an amount up to \$19,521,350.00; to encumber funds with the Department of Public Service for prevailing wage services in an amount up to \$2,000.00; for Capital Improvements Project No. 690278-100005, Division of Water Contract Number 2199.

This project will construct clarifier improvements for basins 1, 2, and 3 and flocculator improvements in floc tanks 1 through 4 at the DRWP. Improvements in each basin will include replacement of four clarifier drive mechanisms, replacement of corner sweep mechanisms, rehabilitation of clarifier rake arms, and replacement of miscellaneous piping, supports, and other clarifier appurtenances, and replace all flocculator drives.

The Community Planning Area is 99 - Citywide since the DRWP services several Columbus communities.

2.0 ECONOMIC IMPACT/ADVANTAGES; COMMUNITY OUTREACH; PROJECT DEVELOPMENT; ENVIRONMENTAL FACTORS/ADVANTAGES OF PROJECT: Clarifier and floc drives have been rehabilitated several times and are now past their useful life. Corner sweeps have been reconstructed by plant staff and are now past their useful life. Treatment chemicals added to basin contribute to degradation in equipment condition. The clarifiers and floc equipment is an integral part of the treatment process, and replacing these aging components will increase reliability.

3.0 CONSTRUCTION CONTRACT AWARD: The Director of Public Utilities publicly opened two (2) bids on September 23, 2020 from: Kokosing Industrial, Inc. and Kenmore Construction Co.

Kokosing's bid was deemed the lowest, best, most responsive and responsible bid in the amount of \$19,521,350.00. Their Contract Compliance Number is 47-2946608 (expires 6/12/21, Majority) and their DAX Vendor No. is 12309. Additional information regarding both 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 Kokosing Industrial, Inc.

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

4.0 EMERGENCY DESIGNATION: Emergency designation is necessary to keep the project on track to meet the first plant outage window. Missing or delaying the first outage window could have adverse impacts to cost and schedule as this is planned to be a multi-year project. There are also planned reduced water production timeframes that are coordinated with other CIP projects at the other two plants (HCWP and PAWP) and any delay could adversely affect projects at those plants as well.

5.0 FISCAL IMPACT: This Ordinance authorizes the City Auditor to appropriate and transfer funds from the Water System Reserve Fund - Fund No. 6003 to the Water Supply Revolving Loan Account Fund - Fund No. 6011, in order to fund this proposed expenditure. This transaction is a temporary measure that is required until such time as the Division is able to execute a loan with the Water Supply Revolving Loan Account Fund and reimburse the Water System Reserve Fund. The loan is expected to be approved in December, 2020.

A portion of funding will also come from the Water G.O. Voted Bonds Fund - Fund No. 6006, and will require a transfer of funds.

An amendment to the 2019 Capital Improvements Budget will be necessary to align budgetary authority in both funds.

To authorize the Director of Public Utilities to enter into a construction contract with Kokosing Industrial, Inc. for the DRWP Basin Clarifier Rehabilitation Project in an amount up to \$19,521,350.00; to encumber \$2,000.00 for prevailing wage services from the Department of Public Service; to authorize the appropriation and transfer of \$19,521,350.00 from the Water System Reserve Fund to the Water Supply Revolving Loan Account Fund; to authorize the appropriation and expenditure of \$19,521,350.00 within the Water Supply Revolving Loan Account Fund; to authorize a transfer and expenditure up to \$2,000.00 within the Water General Obligations Voted Bond Fund; for the Division of Water; to authorize an amendment of the 2019 Capital Improvements Budget; and to declare an emergency. (\$19,523,350.00)

WHEREAS, two (2) bids for the DRWP Basin Clarifier Rehabilitation Project were received and publicly opened in the offices of the Director of Public Utilities on September 23, 2020; and

WHEREAS, the lowest, best, most responsive and responsible bid was from Kokosing Industrial, Inc. in the amount of \$19,521,350.00; and

WHEREAS, it is necessary to authorize the Director of the Department of Public Utilities to award and execute a construction contract and to encumber and expend funds to provide for payment of prevailing wage services associated with the DRWP Basin Clarifier Rehabilitation Project; and

WHEREAS, it is necessary to both appropriate 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 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 of up to \$2,000.00 within the Water G.O. Bonds Fund; 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 Division of Water, Department of Public Utilities, in that it is immediately necessary to authorize the Director of Public Utilities to enter into a construction contract with Kokosing Industrial, Inc. for the DRWP Basin Clarifier Rehabilitation Project, in an emergency manner to meet the first plant outage window, 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 is hereby authorized to enter into a construction contract for the DRWP Basin Clarifier Rehabilitation Project with Kokosing Industrial, Inc. (FID #47-2946608), 6235 Westerville Road,

Suite 200, Westerville, OH, 43081, in an amount up to \$19,521,350.00; in accordance with the terms and conditions of the contract on file in the Office of the Division of Water; and to obtain the necessary prevailing wage services from the Design and Construction Division and to pay up to a maximum amount of \$2,000.00.

SECTION 2. That said construction company shall conduct the work to the satisfaction of the Director of Public Utilities and the Administrator of the Division of Water.

SECTION 3. That the 2019 Capital Improvements Budget is hereby amended, as shown below:

Fund No. 6011

Fund Name: Water Supply Revolving Loan Acct.

Project ID | Project Name | Current Authority | Revised Authority | Change

P690278-100005 (NEW) | DRWP Basin Clarifier Rehab | \$6,000,000 | \$19,521,350 | +\$13,521,350 (add authority to match expenditure)

Fund No. 6006

Fund Name: Water G.O. Bonds Fund

Project ID | Project Name | Current Authority | Revised Authority | Change

P690411-100000 (carryover) | Watershed Misc. Imp's | \$0 | \$71,551 | +\$71,551 (establish authority to match available cash)

P690411-100000 (carryover) | Watershed Misc. Imp's | \$71,551 | \$69,551 | -\$2,000

P690278-100005 (carryover) | DRWP Basin Clarifier Rehab | \$1,493,104 | \$1,495,104 | +\$2,000

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, 2020, the sum of \$19,521,350.00 is appropriated in Fund 6003 - Water System Reserve Fund, in Object Class 10 - Transfer Out Expenditure, per the account codes in the attachment to this ordinance.

SECTION 5. That the transfer of \$19,521,350.00 or so much thereof as may be needed, is hereby authorized between Fund 6003 - Water System Reserve Fund and Fund 6011 - Water Supply Revolving Loan Account Fund, per the account codes in the attachment to this ordinance.

SECTION 6. That the expenditure of \$19,521,350.00 or so much thereof as may be needed, is hereby authorized in Fund 6011 - Water Supply Revolving Loan Account Fund, in Object Class 06 - Capital Outlay, per the accounting codes in the attachment to this ordinance.

SECTION 7. That the transfer of \$2,000.00 or so much thereof as may be needed, is hereby authorized in Fund 6006 - Water G.O. Bonds Fund, in Object Class 06 - Capital Outlay, per the accounting codes in the attachment to this ordinance.

SECTION 8. That the expenditure of \$2,000.00 or so much thereof as may be needed, is hereby authorized in Fund 6006 - Water G.O. Bonds Fund, in Object Class 06 - Capital Outlay, per the accounting codes in the attachment to this ordinance.

SECTION 9. 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 under Section 6 above, and said funds are hereby deemed appropriated for such purpose.

SECTION 10. 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 \$19,521,350.00 (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 Water System Reserve Fund - Fund 6003, which is the fund from which the advance for costs of the Project will be made.

SECTION 11. 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 12. That the City Auditor is hereby authorized and directed 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 no longer required for said project; except that no transfer shall be made from a project account by monies from more than one source.

SECTION 13. That the City Auditor is authorized to establish proper project accounting numbers as appropriate.

SECTION 14. 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 15. 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.