



## Legislation Text

File #: 0523-2024, Version: 1

### 1. BACKGROUND

This ordinance authorizes the Director of Public Utilities to enter into a contract modification with DLZ Ohio, Inc., for construction administration/inspection services as part of the Construction Administration/Construction Inspection Services 2023-2025 contract.

DLZ Ohio, Inc. was awarded a contract to perform construction administration/inspection services for Department of Public Utilities Capital Improvement Projects that bid during the years 2023, 2024, and 2025. The contract is modified as needed throughout the three-year contract period to include these projects as they go to construction. The construction project to be administered by DLZ Ohio, Inc. under this contract modification is the Elizabeth Avenue Area Water Line Improvements, CIP No. 690236-100132, in the amount of \$584,598.83 and CA-CI for General Water Construction Projects, CIP No. 690549-100012 in the amount of \$50,000.00, for a total amount of \$634,598.83.

This work will primarily be performed in Columbus Community Area: 57 - Mid-East Area.

#### 1.1. Amount of additional funds to be expended: **\$584,598.83**

Original Contract:	\$775,135.69	(ORD 1768-2023, PO402691, PO402695)
Modification #1:	\$1,191,867.05	(ORD 2111-2023, PO411979)
Modification #2:	\$1,822,179.64	(ORD 2942-2023, PO425120)
Modification #3:	\$129,591.25	(ORD 3300-2023, PO TBD)
<u>Modification #4</u>	<u>\$643,598.83</u>	<u>(current)</u>
Total	\$4,562,372.46	

#### 1.2. Reasons additional goods/services could not be foreseen:

This is a three-year agreement for fiscal years 2023 - 2025. Modifications were anticipated and explained in the original legislation under Ordinance 1768-2023.

#### 1.3. Reason other procurement processes are not used:

This is a multi-year contract that will be modified as required to provide construction administration/inspection services for construction projects that bid during the three year (2023-2025) timeframe. Another procurement process is not required.

#### 1.4. How cost of modification was determined:

The cost of this modification was determined by negotiations between DLZ Ohio, Inc. and the Division of Water based upon the contract rates and titles established in the original contract and an estimate of the number of hours needed for each title for the tasks to be assigned to the contract modification.

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

Division of Water projects include replacement or rehabilitation of water lines that have a high break frequency and valves that are inoperable. Replacement of these water lines will improve water service, decrease burden on water maintenance operations, and reduce water loss. The Neighborhood Liaison(s) will be contacted and informed of this project during the design phase. Further community outreach may result through the Neighborhood Liaison Program.

### 3. CONTRACT COMPLIANCE INFORMATION

DLZ Ohio, Inc.'s contract compliance number is CC004939 and expires 10/24/2024.

#### 4. MINORITY AND WOMAN OWNED BUSINESS ENTERPRISE & SMALL LOCAL BUSINESS ENTERPRISE PROGRAM

This contract opportunity was submitted to the City's Office of Diversity and Inclusion (ODI) for review and assignment of an MBE/WBE goal prior to bidding. ODI determined there was not an opportunity for MBE/WBE participation in this contract and did not assign a goal. This contract was not bid with a City of Columbus MBE/WBE Program goal and the requirements of the City's MBE/WBE Program are not applicable to this contract. DLZ Ohio, Inc. is ODI certified as an MBE company. As shown in the Utilization Plan attached to this ordinance, DLZ Ohio, Inc. plans to use one subconsultant on this task, Dynotec, Inc. The spend with this MBE prime consultant and MBE subconsultant is anticipated to be \$634,598.83, or 100.00% for this contract task.

<u>Company Name</u>	<u>City/State</u>	<u>ODI Certification Status</u>
Dynotec, Inc.	Columbus, OH	MBE

DLZ Ohio, Inc.'s and Dynotec, Inc.'s certifications were in good standing at the time of this contract modification.

#### 5. FISCAL IMPACT

Funding for construction administration and inspection of the Elizabeth Avenue Area Water Line Improvements part of this contract, CIP #690236-100132, will be obtained through the Ohio Water Development Authority Direct Loan Program. City Council authorized this loan application and acceptance of loan funding via Ordinance 0997-2023, passed by Council on 4/24/23. CIP # 690236-100132 is not listed as a project anticipated to be funded through this loan program in Ordinance 0997-2023. Section 2 of the Ordinance allows the Director of the Department of Public Utilities to add projects to the list per departmental need.

The Ohio Water Development Authority (OWDA) Direct Loan Program is a reimbursement program. A purchase order will need to be established to DLZ Ohio, Inc. for this contract modification. Public Utilities will need to pay the construction administration and inspection charges directly to DLZ Ohio, Inc. and then submit reimbursement requests based upon these paid invoices to OWDA for OWDA to reimburse Public Utilities.

A transfer of funds from the Water Reserve Fund, Fund 6003, to the Water Fresh Water Market Rate Fund, Fund 6014, in the amount of \$584,598.83 is needed to fund this contract modification. The transaction is a temporary measure that is required until a loan is executed with OWDA to reimburse the Reserve Fund. The loan is expected to be approved in April, 2024. These funds will also need to be appropriated to be transferred and then appropriated after transfer to the new Fund. An amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project.

Funding for construction administration and inspection of the General Water Construction Projects part of this contract, CIP #690549-100012, will be done through the Water Bond Fund, Fund 6006. Funding is budgeted and appropriated, and available for this expenditure.

To authorize the Director of the Department of Public Utilities to enter into a contract modification with DLZ Ohio, Inc. for the Construction Administration/Construction Inspection Services 2023-2025 contract; to authorize an amendment to the 2023 Capital Improvement Budget; to authorize a transfer of funds from the Water Reserve Fund to the Water Fresh Water Market Rate Fund; to authorize the appropriation of funds in the Water Reserve Fund and the Water Fresh Water Market Rate Fund; and to authorize the expenditure of up to \$634,598.83 from the Water Fresh Water Market Rate Fund and from the Water Bond Fund for the contract modification. (\$634,598.83)

**WHEREAS,** the Department of Public Utilities advertised a Request for Proposals for Construction Administration/Construction Inspection Services; and

**WHEREAS,** DLZ Ohio, Inc. was one of six firms selected by the evaluation committee to provide these services; and

**WHEREAS**, Ordinance 1768-2023 authorized the contract with DLZ Ohio, Inc. for these services and assigned the first tasks to be performed; and

**WHEREAS**, additional construction administration/inspection tasks need to be performed; and

**WHEREAS**, the contract with DLZ Ohio, Inc. will need to be modified to add these tasks to the contract and to add funding to pay for the tasks; and

**WHEREAS**, an amendment to the 2023 Capital Improvement Budget is needed to align budget authority with the proper project; and

**WHEREAS**, it is necessary to both appropriate and transfer funds from the Water Reserve Fund, Fund 6003, to the Water Fresh Water Market Rate Fund, Fund 6014; 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 services of the Project described in this Ordinance (collectively, the “Project”); and

**WHEREAS**, funds must be expended to pay for the construction administration and inspection services DLZ Ohio, Inc. provides under the Construction Administration/Construction Inspection Services 2023-2025 contract; **now, therefore**

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

**SECTION 1.** That the 2023 Capital Improvements Budget authorized by Ordinance 1711-2023 be amended as follows to establish sufficient budget authority for this project:

**Fund / Project Number / Project Name (Funding Source) / Current Authority / Revised Authority / Change**  
6014 / 690236-100132 / Elizabeth Avenue Area WL Imps (OWDA Direct Loan) / \$0.00 / \$584,599.00 / \$584,599.00 (To match loan amount)

**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, 2024, the sum of \$584,598.83 is appropriated in the Water Reserve Fund, Fund 6003, per the account codes in the attachment to this ordinance.

**SECTION 3.** That the transfer of \$584,598.83, or so much thereof as may be needed, is hereby authorized from the Water Reserve Fund to the Water Fresh Water Market Rate Fund per the accounting codes in the attachment to this Ordinance.

**SECTION 4.** That the Director of Public Utilities is authorized to enter into a contract modification for the Construction Administration/Construction Inspection Services 2023-2025 contract with DLZ Ohio, Inc. 6121 Huntley Road, Columbus, Ohio 43229 for construction administration and inspection services for the Elizabeth Avenue Area Water Line Improvements project, CIP No. 690236-100132, and for General Water Construction Projects, CIP No. 690549-100012, in accordance with the terms and conditions as shown in the contract on file with the Department of Public Utilities, in an amount not to exceed \$634,598.83.

**SECTION 5.** 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 ended December 31, 2024, the sum of \$584,598.83 is appropriated in Fund 6014 (Water Fresh Water Market Rate Fund), per the account codes in the attachment to this ordinance.

**SECTION 6.** That an expenditure not to exceed \$634,598.83 is authorized per the accounting codes in the attachment to this Ordinance.

**SECTION 7.** That upon obtaining other funds for the purpose of funding sewer system and water system capital improvement work, the City Auditor is hereby authorized to repay the Water System Reserve Fund, Fund 6003, the amount transferred above (Section 3), and said funds are hereby deemed appropriated for such purposes.

**SECTION 8.** 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 \$584,598.83 (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 Reserve Fund, Fund 6003, which are the funds from which the advance for costs of the Project will be made.

**SECTION 9.** Funds are 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 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 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 this Ordinance shall take effect and be in force from and after the earliest period allowed by law.