



Legislation Details (With Text)

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Title: Proposed Change Order No. 1
Contract No. 2103317
Emergency Procurement for City of Detroit Public Lighting Department (PLD) to DTE Energy (DTE) Electrical Conversions

Sponsors: Navid Mehram

Indexes: Wastewater Operations

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
5/25/2022	1	Board of Directors	Approved	Pass
5/11/2022	1	Operations and Resources Committee	Recommended for Approval	Pass

Proposed Change Order No. 1
Contract No. 2103317
Emergency Procurement for City of Detroit Public Lighting Department (PLD) to DTE Energy (DTE) Electrical Conversions

Agenda of: May 25, 2022
Item No.: **2022-178**
Amount: Original Contract \$ 836,300.00
Proposed Change Order No. 1 690,000.00
Total Revised Contract \$1,526,300.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Interim Chief Executive Officer
Great Lakes Water Authority

DATE: May 5, 2022

RE: **Proposed Change Order No. 1**
Contract No. 2103317

**Emergency Procurement for City of Detroit Public Lighting Department (PLD) to DTE Energy (DTE) Electrical Conversions
Vendor: Ferndale Electric Co., Inc.**

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operating Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Interim Chief Executive Officer (ICEO) to **enter into Contract No. 2103317, Proposed Change Order No. 1, “Emergency Procurement for City of Detroit Public Lighting Department (PLD) to DTE Energy (DTE) Electrical Conversions” with Ferndale Electric Co., Inc., with an increase of \$690,000.00 for a total cost not to exceed \$1,526,300.00 and an increased duration of 230 days for a total duration of 403 days;** and authorizes the ICEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Great Lakes Water Authority operates and maintains the largest wastewater conveyance and treatment facilities in Michigan and is heavily dependent on reliable and quality power to effectively operate its facilities. Prior to 2014, many of the facilities operated by DWSD and now GLWA within the City of Detroit boundary were powered by Public Lighting Department (PLD). In 2014, the City of Detroit entered into an Energy Delivery Services Agreement with DTE to transition electrical customers from PLD to DTE and convert these customers from PLD’s distribution system to DTE’s distribution system. Although the billing services transitioned from PLD to DTE several years ago, the power distribution complexity remained as part of this multiyear transition; several of GLWA’s and DWSD’s facilities, operated and maintained by GLWA or through the Shared Services Agreement, remain on PLD’s distribution system.

This issue was further highlighted proceeding the June 25-26th storms when a utility power to the Freud Pumping Station was damaged, limiting the facility pump operations. GLWA quickly escalated this issue and requested DTE to accelerate the conversion of the remaining GLWA facilities from PLD infrastructure to DTE to ensure reliability and stable power quality. The remaining facilities powered by PLD infrastructure included Freud, Bluehill, Woodmere Pumping Station, and Baby Creek Combined Sewer Overflow (CSO) facility.

In September 2021, DTE notified GLWA that they will not contract the conversion of the GLWA and DWSD facilities like other conversions done in the City and requested that GLWA complete the conversion and DTE will reimburse GLWA for the conversion effort.

On December 13, 2021, GLWA, via emergency procurement, entered into an agreement with

Ferndale Electric Co., Inc. to complete the conversion for Freud and Bluehill Pumping Station. The conversion effort includes installation of a primary service line, demolition and installation of new transformers, and termination of secondary feed lines to the new transformers.

JUSTIFICATION

The original Contract was established for the conversion of Freud and Bluehill Pumping Station. The conversion of the two facilities was successfully completed in March of 2022. This Change Order includes the addition of the Woodmere Pumping Station and Baby Creek CSO facility. It is important for GLWA to continue the conversion effort to ensure reliable operations of GLWA’s facilities and those DWSD facilities which GLWA maintains and operates through the Shared Services Agreement.

PROJECT MANAGEMENT STATUS

Original Contract Time	173 days (12/13/21 - 06/03/2022)
Proposed Change Order No. 1	230 days (06/04/22 - 01/19/2023)
New Contract Time	403 days (12/13/21 - 01/19/2023)

PROJECT ESTIMATE

Original Contract Price	\$836,300.00
Proposed Change Order No. 1	690,000.00
New Contract Total	\$1,526,300.00

FINANCIAL PLAN IMPACT

Summary: Sufficient funds are provided in the financial plan for this project.

Funding Source: Improvement & Extension (I&E) Budget

Cost Center: Sewer Engineering

Expense Type: I&E - Capital Outlay (>\$5K)

Woodmere Pump Station - 5404-892352.000-901100-900039

Baby Creek CSO Facility - 5404-892277.000-901100-900039

Components of the Project will be capitalized through the Improvement & Extension (I&E) budget as they are related to installation of DTE furnished equipment at Freud, Bluehill, Baby Creek, and Woodmere facilities. DTE will reimburse GLWA 100% of the Change Order No. 1 amount.

Estimated Cost by Year and Related Estimating Variance: See table below.

Original Contract Price	\$	836,300.00
Proposed Change Order No. 1		
Baby Creek		328,000.00
Woodmere		362,000.00
Total Change Order No. 1		<u>690,000.00</u>
New Contract Total		1,526,300.00
Amended Financial Plan Estimate		<u>1,526,300.00</u>

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on May 11, 2022. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

Work will occur at the following DWSD facilities: Bluehill and Woodmere pump stations. However, GLWA will be reimbursed by DTE for the work.