



**Cheryl Porter**  
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## Memorandum

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**To:** Honorable Board of Directors

**Thru:** Cheryl Porter, COO – Water and Field Services

**From:** Grant Gartrell, Water Engineering Director

**cc:** Executive Leadership Team

**Date:** August 13, 2021

**RE:** Contract No. 1802448 Proposed Amendment No. 2

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This memorandum is in response to discussion on how much the construction cost increased due to the route change for Contract No. 1802448 Proposed Amendment No. 2 during the August 11, 2021 Operations and Resources Committee Meeting.

GLWA and its consulting engineer, Brown & Caldwell, evaluated 12 routes for the new water transmission main between 8 Mile and 14 Mile Roads to complete the 14 Mile Transmission System Loop. As described in the board letter, GLWA based the engineering services budget on the shortest route along the Haggerty-Halsted corridor. The conceptual cost estimate for this route was \$61 million as estimated during the route study. The conceptual cost estimate for the route selected was \$58 million as estimated during the route study. Therefore, the estimated construction cost for the selected route is less even though it is longer and required a larger main. The reason that the shorter route had a slightly higher conceptual cost estimate is the high tunneling costs that are carried in it. The shorter route would have required a long tunneling operation to cross beneath the I-96/I-275 interstate, as required by the Michigan Department of Transportation (MDOT)

engineers. This route was avoided because it carried greater construction risks due to the tunneling operation that would have to be performed beneath these highways.