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Memorandum

To: Honorable Board of Directors

Thru: Cheryl Porter, COO – Water and Field Services

From: Biren Saparia, Systems Control Center Manager
Todd King, Field Services Director

cc: Executive Leadership Team

Date: August 19, 2021

RE: GLWA-CON-149 Proposed Change Order No. 3

This memorandum is in response to discussion regarding Contract No. GLWA-CON-149 Proposed Change Order No. 3 during the August 11, 2021 Operations and Resources Committee Meeting.

The purpose of contracts such as CON-149 is to provide operational and maintenance flexibility to address concerns while constantly monitoring the system. GLWA is committed to improvements and a cross-functional team was assembled to institute improvements in this contracting process to better align with our asset management future. As presented in the May 24, 2021 memorandum to the Board of Directors, GLWA has been working with a cross-functional team across Operations, Finance, and Procurement to develop an improved process to procure the as-needed and emergency services provided under this contract. GLWA has used AECOM to develop the technical scope of the replacement contract to better define the specifications and pay items for the work. In addition, the work has been divided into two contracts to replace CON-149. The first will be focused on comprehensive sewer repairs and the second will be focused on inspection and condition

assessments. The first contract technical specifications have been prepared and submitted to Procurement. Once the bid documents have been prepared, Legal will review and approve prior to advertisement. We expect to advertise for bid no later than October 2021. The second contract will be developed to focus on inspections and condition assessments solely. This contract will be submitted to Procurement before the end of 2021 with bid and award by summer of 2022. Separating the scope of this work will allow for more refined bids, cost tracking, and programmatic development of future CIP projects in accordance with asset management principles.

The purpose of CON-149 is to provide comprehensive services related to the cleaning, inspection, condition assessment, emergency repair, and stakeholder engagement for operating and maintaining GLWA's over 180 miles of large diameter sewers. Inspections of the sewer and manholes are conducted in accordance with the NASSCO Pipeline Assessment Certification Program (PACP) and Manhole Assessment Certification Program (MACP). Engineering services and oversight of the work also may be provided under GLWA request for special circumstances, chiefly emergency repairs.

The contract was initiated in July 2017 and was used to develop a baseline inspection for all GLWA operated sewers. The original contract budget was \$26,800,000.00 over a term of two years in duration with one 2-year renewal option. The 2017 contract process was a Qualifications Based Selection for which the highest scored and lowest cost was the firm we hired. Change Order No. 1 requested the first renewal option of \$26,800,000.00 be executed. This renewal option was approved by the Board in April of 2019. The budget was not completely expended, and a time-only extension was requested from and approved by the Board via Change Order No. 2 during the May 2021 Board Meeting.

This third change order requests additional time and budget to continue inspection and repair projects to provide the continuity of services until the replacement contracts can be advertised, bid, and awarded.

Since inception of the contract, 141 tasks have been assigned over the past four years. Approximately \$50 million has been expended to date with approximately 46 percent allocated to operations and maintenance and 54 percent allocated to capital improvements.

As reflected in Table 2, approximately \$17 million was expended under O&M under the CCTV sewer inspections.

It is important to note that emergency repairs were identified during the contract to date and have resulted in significant repairs without interruption in service to customers. In addition, several CIP sewer projects have been developed based on the results of the inspections and are being executed as competitively bid design and construction projects under the CIP program. These items are brought for Board approval where and when appropriate.

Table 1: GLWA-CON-149 Cost Breakdown

Category	Sewer	Outfalls	Interceptors (NWI, NIEA and DRI)	Other (CSO, VR, WRRF, PS, etc.)	Total
O & M	\$12,587,938	\$6,819,921	\$1,938,269	\$1,940,765	\$23,286,894
CIP	\$12,329,127	\$2,028,023	\$12,676,571	\$ -	\$27,033,721
Total	\$24,917,065	\$8,847,945	\$14,614,840	\$1,940,765	\$50,320,615

Table 2: GLWA-CON-149 Cost Breakdown by Activities

Category	Sewers and Interceptors			CSO Outfalls			Other (CSO, VR, WRRF, PS, etc.)		Total
	Inspections	Repairs	Supporting Emergency Services	Inspections	Repairs	Supporting Emergency Services	Inspections	Supporting Emergency Services	
O & M	\$12,793,717	\$1,084,769	\$647,722	\$3,401,274	\$248,391	\$3,170,256	\$530,233	\$1,410,531	\$23,286,894
CIP	\$ -	\$22,884,899	\$2,120,799	\$ -	\$1,917,550	\$110,473	\$ -	\$ -	\$27,033,721
Total	\$12,793,717	\$23,969,668	\$2,768,521	\$3,401,274	\$2,165,942	\$3,280,729	\$530,233	\$1,410,531	\$50,320,615

Below is a summary of major tasks executed under this contract and includes inspection, maintenance, emergency repairs, and reports used to develop various CIP projects. The following are the emergency projects identified during the inspection round and have been completed under CON-149:

- Northwest Interceptor Rehabilitation at Warren
- Northwest Interceptor Rehabilitation – Trinity to Pierson
- Fox Creek Sewer Rehabilitation

- Joseph Campau Sewer Rehabilitation
- Clark Sewer Rehabilitation
- Six Mile Sewer Rehabilitation
- Mt. Elliott Sewer Cleaning and Rehabilitation
- Rouge River Log Jam Removal
- Lynch Sewer Rehabilitation
- Outfall B-10 cleaning
- Outfall B-023 River Gate Installation

The following are the CIP Projects based on the inspection round which have relied on design and construction under separate contracts:

- Detroit River Interceptor (DRI) Outfall Rehabilitation – Phase 1 – Complete
- DRI Outfall Rehabilitation – Phase 2 – Complete
- DRI Outfall Rehabilitation – Phase 3 – Under construction
- DRI Outfall Rehabilitation – Phase 4 – Under Design
- Rouge River Outfall Rehabilitation – Under Design
- Woodward Sewer Rehabilitation – Under construction
- Conner Creek Sewer Rehabilitation – Under Design. Ready for bid
- Northwest Interceptor Rehabilitation – Under Design. Ready for bid
- 7 Mile Sewer System – Under Design
- Joy Road Sewer – Under Design
- Brush Sewer – Under Design
- Bates Sewer – Under Design

GLWA-CON-149 Contract Timeline

Original Contract Time – (730 Days) – July 17, 2017 to July 17, 2019

Original Contract Amount - **\$26,800,000.00**

Change Order No. 1 – First Renewal Option per RFP

Time Extension (731 Days)

Revised Final Completion Date: July 17, 2021

\$26,800,000.00 increase to Total Cost of **\$53,600,000.00**

Change Order No. 2

Time Extension Only (348 Days)

Revised Final Completion Date: June 30, 2022

No increase in costs

Proposed Change Order No. 3 – Scheduled for August Board

Proposed Time Extension (183 Days)

Proposed Revised Final Completion Date: December 30, 2022

Proposed **\$13,400,000.00** increase to Total Cost of **\$67,000,000.00**

Replacement contract Requisition 2102000 Sewer Repair

Target Date for approval to advertise – October 2021

For the new contract, we are looking at having the solicitation advertised this October 2021, which would mean a potential estimated award prior to the end of June 2022.

With the new contract scope developed by AECOM, GLWA will be provided with a more comprehensive technical specification and bid items to complete the typical work conducted under this program. The second contract scope will focus on investigation and condition assessment to better manage the overall sewer inspection program and provide for a continuous program approach to sewer inspection and condition assessment, outside of the urgent and emergency tasks associated with the current CON-149 task assignments.

Please note that with this Proposed Change Order No. 3, if awarded, will take the contract to December 30, 2022. If the new contract is awarded, and the successful bidder is transitioned into the work prior to December 30, 2022, GLWA may elect to terminate the existing contract for convenience if the terms of the new contract are better for GLWA, or if not, continue to utilize this contract until all funds are expended or time expires.