



Legislation Text

File #: 2024-234, Version: 1

**Proposed Change Order No. 4
Contract No. 2103206
Emergency Replacement of Effluent Butterfly Valves Actuators at Seven Mile and Puritan-Fenkell CSO Facilities
I&E**

Agenda of:	July 24, 2024	
Item No.:	2024-234	
Amount:	Original Contract	\$1,280,000.00
	Change Order No. 1	0.00
	Change Order No. 2	45,000.00
	Change Order No. 3	150,000.00
	Proposed Change Order No. 4	200,000.00
	Total Revised Contract	\$1,675,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: June 27, 2024

RE: **Proposed Change Order No. 4
Contract No. 2103206
Emergency Replacement of Effluent Butterfly Valves Actuators at Seven Mile and Puritan-Fenkell CSO Facilities
Vendor: Lakeshore Global Corporation**

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 Chief Executive Officer (CEO) to **enter into Contract No. 2103206, Proposed Change Order No. 4, "Emergency Replacement of Effluent Butterfly Valves Actuators at Seven Mile and Puritan-Fenkell CSO Facilities" with Lakeshore Global Corporation, at an increased cost of \$200,000.00 for a total cost not to exceed \$1,675,000.00 and an increased duration of 365 days for a total duration of 1,122 days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The effluent butterfly gates at the Seven Mile and Puritan Fenkell Combined Sewer Overflow (CSO) facilities are submerged under the Rouge River. Improper sealing of these gates leads to significant infiltration, increasing conveyance and treatment costs. And adding to wear and tear on the equipment. Therefore, it is necessary to remove sludge to allow access to the gates and replace the seals on the effluent butterfly gates.

The contractor has successfully completed sludge removal at both Seven Mile and Puritan Fenkell, replacement of seals at Puritan Fenkell, and electrical equipment replacement at Puritan Fenkell. However, a proper seal of the effluent butterfly gates at the Seven Mile CSO could not be achieved. Site investigation concluded that this is due to age related deterioration of the gates which prevented the gates from sealing.

JUSTIFICATION

This change order is to allow for time and additional funds for the manufacturer to install customized seals to mitigate the infiltration of river water as well as perform minor modifications to the gates. These additional seals and modifications are site-specific and will require additional time and funds to complete. Due to this, the contract will not currently achieve Substantial and Final Completion by the current contract milestone dates. GLWA is in receipt of a proposed estimate of \$200,000.00 for this additional work, from which the Engineering Team plans to negotiate the final cost of these improvements.

PROJECT MANAGEMENT STATUS

Original Contract Time	330 days (07/06/2022) - (05/31/2023)
Change Order No. 1	60 days (06/01/2023) - (07/30/2023)
Change Order No. 2	93 days (07/31/2023) - (10/31/2023)
Change Order No. 3	274 days (11/01/2023) - (07/31/2024)
Proposed Change Order No. 4	365 days (08/01/2024) - (07/31/2025)
New Contract Time	1,122 days (07/06/2022) - (07/31/2025)

PROJECT ESTIMATE

Original Contract Price	\$ 1,280,000.00
Change Order No. 1	0.00
Change Order No. 2	45,000.00

Change Order No. 3	150,000.00
Proposed Change Order No. 4	200,000.00
New Contract Total	\$ 1,675,000.00

FINANCIAL PLAN IMPACT

Summary: This emergency contract, change orders, and the extensions of time were not anticipated during the development of the FY 2023, FY 2024, or FY 2025 budgets. Budget amendments were put forth for this project. First, offsetting other positive variances within the Combined Sewer Overflow facilities' budgets, then from other areas, and finally from the unallocated reserves. A portion of the O&M estimated costs is anticipated to be reimbursed as outlined in the Grant Application Status section below.

Funding Source: Operations and Maintenance (O&M) - 5960
Improvement and Extension (I&E) - 5404

Cost Center(s): Puritan Fenkell Combined Sewer Overflow (892271)
Seven Mile Combined Sewer Overflow (892272)

Expense Type(s): Repairs & Maintenance - Equipment (622300)
Repairs & Maintenance - Facilities (622400)
Capital Outlay over \$5k (I&E-Capitalized) (901100)

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

<u>Fiscal Year</u>	<u>O&M Amount</u>	<u>I&E Amount</u>	<u>Total</u>
FY 2023 Amended Budget	\$572,600.00	\$797,090.96	\$1,369,690.96
FY 2024 Budget	69,732.20	68,000.00	137,732.20
FY 2025 Budget (Prorated)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Financial Plan	642,332.20	865,090.96	1,507,423.16
Maximum Contract	<u>\$842,234.71</u>	<u>\$832,765.29</u>	<u>\$1,675,000.00</u>
Variance (positive/(negative))	<u>(\$199,902.51)</u>	<u>\$32,325.67</u>	<u>(\$167,576.84)</u>

GRANT APPLICATION STATUS

GLWA has applied for two grants through the State of Michigan for both of the CSO facilities. These grants are funded through the Federal Emergency Management Agency (FEMA) and are related to the June 2021 flood events. The grants are for eligible expenditures made to mitigate future flood damage at the Seven Mile and Puritan-Fenkell CSO facilities. The reimbursement request for the Seven Mile CSO has been received. The reimbursement request has been submitted for Puritan Fenkell.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on July 10, 2024. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.