



Legislation Text

File #: 2024-212, Version: 1

Proposed Change Order No. 5

Contract No.1802745

Water Transmission Main, Valve, and other Priority Repairs

CIP #170602 / O&M / BCE Score: N/A

Agenda of: June 26, 2024

Item No.: **2024-212**

Amount:	Original Contract	\$15,000,000.00
	Change Order No. 1	0.00
	Change Order No. 2	0.00
	Change Order No. 3	3,000,000.00
	Change Order No. 4	4,000,000.00
	Proposed Change Order No. 5	2,500,000.00
	Total Revised Contract	\$24,500,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 29, 2024

RE: Proposed Change Order No. 5
Contract No. 1802745
Water Transmission Main, Valve, and other Priority Repairs
Vendor: Ric-Man Construction, Inc.

MOTION

Upon recommendation of Cheryl Porter, Chief Operating Officer - Water and Field Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 1802745, Proposed Change Order No. 5, "Water Transmission Main, Valve, and other Priority Repairs" with**

Ric-Man Construction, Inc., at an increased cost of \$2,500,000.00 for a total cost not to exceed \$24,500,000.00, with no increase in duration for a total duration of five (5) years; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The GLWA Water Transmission System consists of a network of approximately 800 miles of large (greater than 24-inch diameter) water mains that serve 3.9 million people across 115 communities that are represented by 88 member partners in eight counties of southeastern Michigan. There are approximately 10,000 air, blow-off, and isolation valves associated with these mains. The average pipe age is over 60 years old with some exceeding 150 years in age. Contract No. 1802745 is used to respond to water main breaks, valve repairs, and other urgent projects as necessary to allow GLWA to provide water of unquestionable quality at the promised level of service to our member partners. This contract is one of two concurrent emergency repair contracts, the other being Contract No. 2003730, that GLWA intends to maintain on a staggered basis. In addition, this contract also supports valve repairs determined from the Valve Exercising Program, Capital Improvement Plan (CIP), Linear System Integrity Program (LSIP) and the GLWA/DWSD water main decommissioning efforts.

This proposed Change Order No. 5 is requesting \$2,500,000.00 in additional funds for the renewal of nine sections of pipe found during the LSIP condition assessment of the 36-inch water transmission main (36" WTM) on 24 Mile Road. The condition assessment of the 36" WTM inspection is from the Rochester Booster Station to Fairchild Street in Shelby and Macomb Township. This additional cost includes but is not limited to dewatering, access, traffic control, major and minor repairs, replacements, or renewals, pipe materials, and restoration. The nine sections of pipe that are to be renewed are from the Rochester Booster Station to Romeo Plank Road prior to going back into service.

- Change Order No. 1 was for additional time.
- Change Order No. 2 was for additional time.
- Change Order No. 3 was for additional cost and time. Additional funding was requested to replenish expenses associated with the 120-inch water main break and the reinforcement efforts on distressed pipes identified along the 14 Mile transmission main.
- Change Order No. 4 was for additional cost. Additional funding was requested to replenish expended funds to get to the end of the contract term.

JUSTIFICATION

There are nine sections of pipe found during the condition assessment of the 36" WTM inspection that require renewals. The condition assessment is a part of the LSIP. At the beginning of the condition assessment, it was assumed that there would be a few sections of pipe found to be replaced and the remaining contract funds would cover the replacements. After the inspection was complete from the Rochester Booster Station to Romeo Plank Road, there were nine sections of pipe that require renewals prior to this section of 36" WTM returning to service. This section of the 36" WTM was installed between 1971 to 1973. The additional funds being requested will cover the renewal of the nine sections.

PROJECT MANAGEMENT STATUS

Original Contract Time	2 years (08/26/2019 - 08/26/2021)	
Change Order No. 1	1 year	(08/27/2021 - 08/26/2022)
Change Order No. 2	1 year	(08/27/2022 - 08/26/2023)

Change Order No. 3	1 year	(08/27/2023 - 08/26/2024)
Change Order No. 4	0 years	
Proposed Change Order No. 5	0 years	
New Contract Time	5 years	(08/26/2019 - 08/26/2024)

PROJECT ESTIMATE

Original Contract	\$15,000,000.00
Change Order No. 1	0.00
Change Order No. 2	0.00
Change Order No. 3	3,000,000.00
Change Order No. 4	4,000,000.00
Proposed Change Order No. 5	2,500,000.00
Total Revised Contract	\$24,500,000.00

FINANCIAL PLAN IMPACT

Summary: The proposed change order with Ric-Man Construction, Inc. only encompasses Capital Improvement Plan expenses. Sufficient funds will be provided in the CIP financial plan for this project.

Funding Source: Operations & Maintenance (O&M) Budget; CIP 170503; CIP 170602

Cost Center(s): Field Services cost center 882411.....Centralized Services cost center 882431

Expense Type(s): Construction (616900); Contractual Operating Services - All Water (617901)

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

		CIP	O&M	Total
Original Contract Price	\$10,000,000.00	\$5,000,000.00	\$15,000,000.00	
Change Order No. 1 (Time Only)		0.00	0.00	0.00
Change Order No. 2 (Time Only)		0.00	0.00	0.00
Change Order No. 3	2,000,000.00	1,000,000.00	3,000,000.00	
Change Order No. 4	2,800,000.00	1,200,000.00	4,000,000.00	
Proposed Change Order No. 5	<u>2,500,000.00</u>	<u>0.00</u>	<u>2,500,000.00</u>	
New Contract Total	17,300,000.00	7,200,000.00	24,500,000.00	
Financial Plan Forecast	<u>16,980,000.00</u>	<u>5,433,300.00</u>	<u>22,413,300.00</u>	

Estimating Variance (\$ 320,000.00) (\$1,766,700.00) (\$ 2,086,700.00)

The award of this change order provides a CIP estimating variance of \$320,000.00. A budget amendment will be necessary to record the estimating variance and will be funded from Program No. 170600. The CIP financial plan (forecast) is per the FY 2025 - 2029 CIP Plan and is a combination of CIP No. 170503 (\$14,800,000.00) and CIP No. 170602 (\$2,180,000.00). This change order only encompasses CIP No. 170602.

COMMITTEE REVIEW

This item is being presented directly to the GLWA Board of Directors.

SHARED SERVICES IMPACT

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