



Legislation Text

File #: 2024-041, Version: 1

Proposed Change Order No. 4
Contract No. GLWA-CON-170
Sludge Removal and Disposal Services at Northeast, Southwest and Springwells Water Treatment Plants
O&M

Agenda of: February 28, 2024

Item No.: **2024-041**

Amount:	Original Contract	\$15,298,560.00
	Change Order No. 1	3,500,000.00
	Change Order No. 2	2,500,000.00
	Change Order No. 3	19,608,960.00
	Proposed Change Order No. 4	12,314,800.00
	Total Revised Contract	\$53,222,320.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: January 30, 2024

RE: Proposed Change Order No. 4
Contract No. GLWA-CON-170
Sludge Removal and Disposal Services at Northeast, Southwest and Springwells Water Treatment Plants
Vendor: Mobile Dredging and Video Pipe, 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. GLWA-CON-170, Proposed Change Order No. 4, "Sludge Removal and Disposal Services at Northeast, Southwest and Springwells Water Treatment Plants" with Mobile Dredging and Video Pipe, Inc., at an increased cost of**

\$12,314,800.00 for a total cost not to exceed \$53,222,320.00 and an increased duration of one (1) year and six (6) months for a total duration of seven (7) years and nine (9) months; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Alum sludge is a byproduct of water production which accumulates in the sedimentation basins and flocculation chambers of GLWA water treatment plants (WTP). Prior to 2013, residual alum sludge from the WTPs was discharged directly to the sewer. In May of 2013, the National Pollutant Discharge Elimination System (NPDES) Permit No. MI0022802, went into effect. The permit required GLWA Water Treatment Plants to develop and implement an Alum Sludge Corrective Plan to prevent the discharge of alum sludge to the sewer system. The plan for manual removal and landfill disposal of alum sludge from GLWA WTPs was approved by the State of Michigan Department of Environmental Quality (MDEQ) on October 30, 2013.

GLWA-CON-170 is a services contract between GLWA and Mobile Dredging & Video Pipe, Inc. (MDVP) for removing, dewatering, transporting, and disposing sludge from flocculation chambers and sedimentation basins at the GLWA's Northeast, Southwest and Springwells WTPs. The sedimentation basins at Northeast and Springwells WTPs are not equipped with a sludge removal system and the sludge must be removed manually, dewatered on site, loaded, transported, and disposed of at a licensed solid waste landfill. Southwest WTP has been included in the GLWA-CON-170 sludge removal contract because the mechanical sludge removal system at Southwest WTP is not fully functional and is currently being rehabilitated.

GLWA-CON-170 follows the initial contract for manual alum sludge removal Contract No. DWS-898, executed by the same Contractor from November 2014 to November 2017. MDVP was the sole bidder on both DWS-898 and CON-170. Work began on the GLWA-CON-170 contract on January 1, 2018. An additional \$3.5 million was added under Change Order No. 1 and \$2.5 million under Change No. 2 to cover the cost of completing additional sludge removal and disposal work at the WTPs. Change Order No. 3 was executed under the constraints of COVID-19 to sustain basin cleaning without interruption. Under the agreement, Change Order No. 3 released GLWA from the contractors' legal claims from the preceeding contract DWS-898. Change Order No. 3 which added \$19,608,960.00 to the contract included two (2) full cleaning cycles at all three (3) WTPs and extended the contract to March 31, 2024. Currently, MDVP has completed the last round of cleaning at Springwells WTP under Change Order No. 3 and is preparing to demobilize.

The proposed Change Order No. 4 is for time and money. The additional funds and time will be used to remove sludge from Northeast, Southwest and Springwells Water Treatment Plants through September 30, 2025. If this change order is approved, then the additional sludge removal and disposal work would be performed immediately.

JUSTIFICATION

Currently, all three (3) of the water treatment plants serviced by the GLWA-CON-170 Sludge Removal Contract (Northeast, Southwest and Springwells) are conducting rehabilitation work in their sedimentation basins, flocculators or sludge collection system. These contracts extend out through 2026 and require the sedimentation basins to be cleaned in advance of the rehab work. The current GLWA-CON-170 contractor, Mobile Dredge & Video Pipe, has eight (8) years of cleaning experience at GLWA WTPs and a demonstrated capability to mobilize the equipment required, and clean the settling basins efficiently and on schedule. The proposed extension provides continuity of service during a critical period in which the three adjacent basin rehab contracts depend on timely cleanings to mitigate the potential risk of delays. The proposed extension would provide for one (1) cleaning per WTP over the next year and a half in 2024 and 2025.

PROJECT MANAGEMENT STATUS

Original Contract Time	3 years and 3 months	(01/01/2018 - 03/31/2021)
Change Order No. 1	0 years	
Change Order No. 2	0 years	
Change Order No. 3	3 years	(04/01/2021 - 03/31/2024)
Proposed Change Order No. 4	1 year and 6 months	(04/01/2024 - 09/30/2025)
New Contract Time	7 years and 9 months	(01/01/2018 - 09/30/2025)

PROJECT ESTIMATE

Original Contract Price	\$15,298,560.00
Change Order No. 1	3,500,000.00
Change Order No. 2	2,500,000.00
Change Order No. 3	19,608,960.00
Proposed Change Order No. 4	12,314,800.00
New Contract Total	\$53,222,320.00

FINANCIAL PLAN IMPACT

Funding Source: Operations & Maintenance (O&M) Budget

Cost Center(s): Springwells WTP Water Operations cost center 882141

Northeast WTP

Water Operations cost center 882151

Southwest WTP

Water Operations cost center 882161

Expense Type(s): Contractual Operating Services (617900)

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2018 Budget	\$ 3,838,027.00
FY 2019 Budget	8,063,304.00
FY 2020 Budget	5,659,535.00
FY 2021 Budget	9,573,805.00
FY 2022 Budget	5,182,130.00
FY 2023 Budget	6,558,580.00
FY 2024 Budget	5,893,069.00
FY 2025 Budget	<u>8,453,870.00</u>
Financial Plan Forecast	\$53,222,320.00
Proposed Contract Amount	<u>53,222,320.00</u>
Variance (positive/ (negative))	\$ 0.00

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on February 14, 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.