



Legislation Details (With Text)

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Title: Contract No. GLWA-DB-303
GLWA System-wide Underground Storage Tank, Dispenser and Management System Removal and Replacement

Sponsors: Cheryl Porter

Indexes: Water Operations

Code sections:

Attachments: 1. Vendor Response Follow Up, 2. Procurement Board Report RFP-GLWA-DB-303 Underground Storage Tank, Dispenser and Management System Removal and Replacement

Date	Ver.	Action By	Action	Result
9/26/2018	1	Board of Directors	Approved	Pass

Contract No. GLWA-DB-303

GLWA System-wide Underground Storage Tank, Dispenser and Management System Removal and Replacement

Agenda of: September 26, 2018
Item No.: **2018-909**
Amount: \$3,991,453.00 for One Year

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: September 18, 2018

RE: **Contract No. GLWA-DB-303**
GLWA System-wide Underground Storage Tank, Dispenser and Management System Removal and Replacement
Vendor: GHD

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-DB-303, “Underground Storage Tank, Dispenser and Management System Removal and Replacement” with GHD, at a cost not to exceed \$3,991,453.00 for a duration of one year;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The GLWA maintains diesel and unleaded fuel underground storage tanks (UST) at each of the five water treatment plants (WTPs) and the Water Resource Recovery Facility (WRRF). Recent changes to the federal UST regulations (Federal Register: July 15, 2015) will become effective October 13, 2018. These changes prompted GLWA to review the overall age and condition of the UST system piping, tanks, dispensers and management systems, and it was determined that a complete removal and replacement of all systems provided the best long-term solution to address the USTs. The following USTs will be removed and replaced at these locations:

Location	Diesel Capacity (installed)	Unleaded (installed)
Lake Huron	2,500 gallons (1992)	2,500 gallons (1992)
WRRF	10,000 gallons (1987)	10,000 gallons (1990)
Northeast	1,000 gallons (1990)	1,000 gallons (2000)
Springwells	2,500 gallons (1993)	2,500 gallons (1993)
Water Works Park*	2,500 gallons (2004)	2,500 gallons (2004)
Southwest	1,000 gallons (1993)	1,000 gallons (1993)

* Divided tank

The project was first initiated to comply with regulatory changes. As the project needs were better defined, the decision to convert the project from rehabilitation to a replacement project was deemed a more appropriate recommendation.

This change in project scope resulted in downsized USTs to adjust current usage requirements while maintaining the cost incentives for bulk delivery of fuels. The service life for USTs is 20 years for which most locations are beyond or rapidly approaching.

JUSTIFICATION

The new UST systems will be equipped to meet the requirements for state and federal UST regulations and include, but not be limited to: overfill preventer, overfill audible and visible alarm, double contained piping, double contained USTs, fill port containment, containment liquid detectors (fuel and water), level gauge, automatic tank monitoring, automatic leak detection (tank and piping),

automatic inventory reconciliation, inventory control and reporting systems, fuel access management system, access control (card, fob, RFID, cell phone, and PIN options), and driver/vehicle tracking. This project will allow GLWA to have fuel available in an emergency (e.g., black out) and afford the fueling of vehicles.

GLWA requested a design/build (D/B) project delivery mechanism for this work due to the tight time frame, specialized nature of UST and fuel system projects.

While this project received only one proposer, the costs are within a reasonable range of the original estimate and market conditions are expected to worsen from a buyer's perspective. Based on the regulatory requirements, qualifications of the proposing team and long-term needs of GLWA, we are recommending that we proceed with this project.

FINANCIAL PLAN IMPACT

Summary: This project encompasses both Operations & Maintenance expense as well as capitalizable costs. Sufficient funds are provided in the Operations & Maintenance (O&M) financial plan for this project. Sufficient funds are available in the Improvement & Extension (I&E) Fund but will require a plan amendment for this project.

Funding Source: Operations & Maintenance (O&M) Budget and
Improvement & Extension (I&E) Budget

Cost Centers: Water Works Park.....Water Cost Center 882131
Springwells Water Plant.....Water Cost Center 882141
Northeast Water Plant.....Water Cost Center 882151
Southwest Water Plant.....Water Cost Center 882161
Lake Huron Water Plant.....Water Cost Center 882171
Wastewater Operations.....Sewage Disposal Cost Center 892221

Expense Type: O&M - Contractual Operating Services (617900)
I&E - Capital Outlay over \$5k (I&E-Capitalized) (901100)

Estimated Cost by Year and Related Forecasted Variance: See table below

<u>Fiscal Year</u>	<u>O&M Amount (*)</u>	<u>I&E Amount</u>	<u>Total Amount</u>
FY 2019 Budget	\$406,530.00	\$0.00	\$406,530.00
FY 2019 Financial Plan Amendment	\$0.00	\$3,483,291.00	\$3,483,291.00
FY 2020 Plan	<u>\$101,632.00</u>	<u>\$0.00</u>	<u>\$101,632.00</u>

Financial Plan Estimate	\$508,162.00	\$3,483,291.00	\$3,991,453.00
Proposed Contract Award	<u>\$508,162.00</u>	<u>\$3,483,291.00</u>	<u>\$3,991,453.00</u>
Estimating Variance	\$0.00	\$0.00	\$0.00

(*) The support services provided under this contract are dependent upon the timing of the final installation of the new UST systems. It has been estimated that a portion of these services will be incurred during FY 2020.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

This award of this contract provides a positive variance of (\$4,000,000 project estimate less \$3,991,453 actual).

COMMITTEE REVIEW

This item is being presented directly to the full Board of Directors for consideration.

SHARED SERVICES IMPACT

Fueling of GLWA vehicles from the Central Services Facility will remain a shared service for GLWA vehicles stationed there.