



Legislation Details (With Text)

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On agenda: 5/27/2020 **Final action:** 5/27/2020
Title: Contract No. 1904254
Water Works Park to Northeast Water Treatment Plant Water Transmission Main - Phase 2
CIP# 122003 / BCE 62.4
Sponsors: Cheryl Porter, Grant Gartrell
Indexes: Water Operations
Code sections:
Attachments: 1. 1904254 Procurement Report, 2. 1904254 Cost Tabulation, 3. 1904254 CIP Attachment

Date	Ver.	Action By	Action	Result
5/27/2020	1	Board of Directors	Approved	Pass
5/13/2020	1	Operations and Resources Committee	Recommended for Approval	Pass

Contract No. 1904254

Water Works Park to Northeast Water Treatment Plant Water Transmission Main - Phase 2

CIP# 122003 / BCE 62.4

Agenda of: May 27, 2020
Item No.: **2020-157**
Amount: \$8,258,591.61

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 1, 2020

RE: **Contract No. 1904254**
Water Works Park to Northeast Water Treatment Plant Water Transmission Main - Phase 2
Vendor: Dan's Excavating, 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. 1904254 “Water Works Park to Northeast Water Treatment Plant Water Transmission Main - Phase 2” with Dan’s Excavating, Inc., at a cost not to exceed \$8,258,591.61 for a duration of 90 months;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority (GLWA) periodically reviews regional water system demands versus water treatment and pumping capacity. A 2015 Water Master Plan Update indicated that GLWA’s total rated water treatment and pumping capacity has significant excess capacity compared to current and projected water demands.

The analysis contained in the 2015 Water Master Plan Update indicated that for average day demand conditions, the five water treatment plants (WTP) typically operate between 23 percent to 35 percent of the rated treatment capacity; and for maximum day demand conditions, the five WTPs typically operate between 38 percent to 67 percent of the treatment rated capacity. To address this imbalance, the Water Master Plan Update recommended a program to reduce the regional treatment capacity to align it with water system demands.

The 2015 Water Master Plan Update for the regional drinking water system recommended that the Northeast WTP be repurposed as the first step in the program to reduce regional treatment capacity. Repurposing the Northeast WTP meant that low-lift and treatment facilities at the Northeast site would be decommissioned and a mix of new/existing water transmission system would be used to deliver finished water to the existing reservoirs and high lift pumps at the Northeast site from other WTP sites. The recommended alternative will involve construction of the new transmission system in three phases. The three project phases are summarized as follows:

- Phase 1: Northeast Flow Control Facility at the Northeast WTP (Design Build Contract 1803258)

Status - Already awarded by Board in June 2018.

- Phase 2: Construction of new 81-inch Transmission Main from U.S. Interstate I-94 to the Northeast site (Contract No. 1904254)

Status - Proposed Progressive Design Build Contract 1904254 - Subject of this Board Approval

- Phase 3: Renewal and Reinforcement of the Existing Water Transmission System from Water

Works Park Water Treatment Plant to U.S. Interstate I-94

Status - Upcoming Progressive Design Build Contract

As indicated above, GLWA Water Engineering is seeking Board approval for Phase 2 Progressive Design Build Contract of the overall Water Works Park to Northeast Transmission Main Project (CIP 122003). It should be highlighted that this contract award only includes design phase funding for the proposed progressive design-build contract. Upon completion of the design phase of this project, the progressive design builder will provide 100% design and a guaranteed maximum price (GMP) for the proposed Phase 2 construction work.

If progressive design builder can demonstrate that the GMP is based on competitive bid prices, GLWA may accept the GMP and add the construction GMP cost as a change order to this proposed contract, or if GLWA does not accept the GMP, GLWA can use the 100% design documents developed as part of this proposed contract and advertise the Phase 2 construction work as a competitive construction bid. This is a Michigan Department of Environment, Great Lakes, and Energy (EGLE), Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF) project.

JUSTIFICATION

The Water Works Park to Northeast Transmission Main Project is one of GLWA's strategic initiatives to align water treatment and pumping capacity with current and projected future water demands. Implementing the transmission system improvements between Water Works Park WTP and Northeast WTP remains the more cost-effective option to align treatment and pumping capacity with water demands as opposed to reducing and maintaining treatment at the Northeast WTP.

FINANCIAL PLAN IMPACT

Summary: Sufficient funds are provided in the financial plan for this project.

Funding Source: Water Construction Bond

Cost Center: Water Engineering

Expense Type: Construction (5519-882411.000-616900-122003)

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

Fiscal Year

FY 2021 Budget	\$ 5,836,000.00
FY 2022 Budget	9,219,000.00
FY 2023 Budget	9,355,000.00
FY 2024 Budget	9,100,000.00

FY 2025 Budget	10,441,000.00
FY 2026 Budget	<u>33,035,000.00</u>
Financial Plan Estimate	\$76,986,000.00
Proposed Contract Award	<u>8,258,591.61</u>
Phase II 2021 - 2025 CIP Plan Balance	\$68,727,408.39

Upon completion of the design phase of this project, the progressive design builder will provide 100% design and a guaranteed maximum price (GMP) for the proposed Phase 2 construction work. As this proposed progressive design build award is not inclusive of construction costs an estimating variance cannot be calculated at this time.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The cost savings are not determinable at the time of award.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on May 13, 2020. 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.