



Legislation Details (With Text)

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Title: Proposed Change Order No. 2
GLWA-CON-170
Sludge Removal and Disposal Services at Northeast, Southwest and Springwells Water Treatment Plants
CIP# N/A

Sponsors: Cheryl Porter, Grant Gartrell

Indexes: Water Operations

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/24/2020	1	Board of Directors	Approved	Pass
6/10/2020	1	Operations and Resources Committee	Recommended for Approval	Pass

Proposed Change Order No. 2

GLWA-CON-170

Sludge Removal and Disposal Services at Northeast, Southwest and Springwells Water Treatment Plants

CIP# N/A

Agenda of: June 24, 2020

Item No.: **2020-189**

Amount:	Original Contract	\$15,298,560.00
	Change Order No.1	3,500,000.00
	Proposed Change Order No.2	2,500,000.00
	Total Revised Contract	\$21,298,560.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: June 3, 2020

RE: Proposed Change Order No. 2

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 GLWA-CON-170 Proposed Change Order No. 2 “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 \$2,500,000.00 for a total cost of \$21,298,560.00, and no increase in duration for a total contract duration of 3 years 3 months;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

GLWA-CON-170 is a contractual services contract that involves turn-key sludge removal and disposal services at GLWA's Northeast, Southwest and Springwells Water Treatment Plants. Since 2014, GLWA has ceased bulk discharges of alum sludge to the sewer system as part of the GLWA Water Resource Recovery Facility's alum sludge corrective action in its National Pollutant Discharge Elimination System (NPDES) permit with the Michigan Department of Environment, Great Lakes, and Energy. Instead, GLWA uses a contractor to remove accumulated sludge from the flocculation chambers and sedimentation basins from these three water plants, dewater the sludge onsite, and transport the sludge cake to a licensed type II municipal solid waste landfill for disposal.

The contract time for GLWA-CON-170 commenced to run on January 1, 2018 and the contract completion date is March 31, 2021. The original contract amount was \$15,298,560.00. Change Order No. 1 was executed on September 18, 2019 and added \$3,500,000.00 to bring the contract amount to \$18,798,560.00. No contract time was added in Change Order No. 1. The additional funds provided with Change Order No. 1 were for additional sludge removal and disposal work. Likewise, the additional \$2,500,000.00 being requested in proposed Change Order No. 2 is to fund more sludge removal and disposal work at the Springwells Water Treatment Plant. If this change order is approved, then the additional sludge removal and disposal work would be performed in the Fall of 2020.

JUSTIFICATION

Bulk or mass discharges of alum sludge to the sewer system are no longer an option for GLWA to remove sludge from the flocculation chambers and sedimentation basins. These chambers and basins were designed and constructed, however, on the premise that sludge would be discharged to the sewer system. As a result, there is not a suitable alternative method to remove the sludge from the basins at these plants at this time and the need for this contracted service remains. Removal of the sludge from the flocculation chambers and sedimentation basins on a regular basis is needed to protect water quality.

PROJECT MANAGEMENT STATUS

Original Notice to Proceed

January 1, 2018

Original Contract Time	3 years and 3 months
Original Required Substantial Completion Date	December 21, 2020
Original Required Final Completion Date	March 31, 2021

PROJECT ESTIMATE

Original Contract Price	\$15,298,560.00
Change Order No. 1	3,500,000.00
Proposed Change Order No. 2	2,500,000.00
New Contract Total	\$21,298,560.00

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Mobile Dredging and Video Pipe, Inc. encompasses Operations & Maintenance expense only. The FY 2021 budget was based on the previous contract period. The value of the contract is within the current financial plan in total. Sufficient funds will be provided in the Operations & Maintenance (O&M) financial plan for this contract related to contractual operating services.

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	\$2,627,400
FY 2019 Budget	4,551,900
FY 2020 Budget	6,416,600
FY 2021 Budget	<u>8,082,600</u>
Financial Plan Forecast	\$21,678,500
Proposed Contract Amount	<u>\$21,298,560</u>
Variance (positive/ (negative))	\$379,940

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$379,940 (\$21,678,500 financial plan forecast less \$21,298,560 proposed contract amount). Contractual services are dependent on several factors such as, delays in estimated start and end dates, environmental constraints, and other unforeseen circumstances that can cause the expenses to fluctuate from fiscal year to fiscal year.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on June 10, 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.