



Legislation Details (With Text)

File #: 2021-316 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 8/4/2021 **In control:** Board of Directors
On agenda: 9/1/2021 **Final action:** 9/1/2021
Title: Proposed Change Order No. 3
GLWA-CON-149
Sewer Transmission Line Repair
Sponsors: Cheryl Porter, Todd King
Indexes: Water Operations
Code sections:

Attachments: 1. Response to Board regarding GLWA-CON-149 Proposed Change Order 3

Date	Ver.	Action By	Action	Result
9/1/2021	1	Board of Directors	Approved	Pass
8/11/2021	1	Operations and Resources Committee	Referred	Pass

Proposed Change Order No. 3

GLWA-CON-149

Sewer Transmission Line Repair

Agenda of: September 1, 2021

Item No.: **2021-316**

Amount:	Original Contract	\$26,800,000.00
	Change Order No. 1	26,800,000.00
	Change Order No. 2	0.00
	Proposed Change Order No. 3	13,400,000.00
	Total Revised Contract	\$67,000,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: August 4, 2021

RE: Proposed Change Order No. 3
Contract No. GLWA-CON-149
Sewer Transmission Line Repair
Vendor: Inland Waters Pollution Control

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-149 Proposed Change Order No. 3 “Sewer Transmission Line Repair” with Inland Waters Pollution Control, at an increased cost of \$13,400,000.00 for a total cost not to exceed \$67,000,000.00 and an increased duration of 183 days for a total contract duration of 1,992 days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Most of the GLWA existing sewers within the collection system are older than 80 years. Due to the age and deterioration of the sewer pipes, immediate repair and/or rehabilitation is often required. CON-149 is necessary to continue the sewer emergency repairs and rehabilitations. The GLWA sewer system consists of approximately 180 miles of sewers ranging in diameter from 48” through 168”. As sewers age, they deteriorate at a faster rate. GLWA utilizes condition assessment and the PACP (Pipeline Assessment Certification Program) rating to assess sewer condition to track condition and rate of repair and rehabilitation. Often, an immediate emergency action is required, and sewer rehabilitation services are necessary to repair plugged, damaged, and collapsed sewers to avoid basement flooding, and maintain the flows within the wastewater conveyance system.

JUSTIFICATION

The purpose of this contract is to provide the means of inspection, sewer lining and open cut repair of failed sewers and in-place rehabilitation of selected sewers using the procedures, methods, and equipment of the cured-in-place pipe lining process. This change order is being proposed to bridge the gap until the replacement project is in place. Further, Change Order No. 3 will be used to investigate damages, and any necessary follow up actions required based on the recent flood events, and to document Federal Emergency Management Agency (FEMA) claims.

PROJECT MANAGEMENT STATUS

Original Contract Time	730 days
Change Order No. 1	731 days
Change Order No. 2	348 days
Proposed Change Order No. 3	183 days
New Contract Time	1,992 days

PROJECT ESTIMATE

Original Contract	\$26,800,000.00
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Change Order No. 1	26,800,000.00
Change Order No. 2	0.00
Proposed Change Order No. 3	13,400,000.00
Total Revised Contract	\$67,000,000.00

FINANCIAL PLAN IMPACT

Summary: The proposed change order with Inland Waters Pollution Control Inc encompasses Capital Improvement Plan & Operations & Maintenance expenses. The FY 2022 budget and five-year financial plan was based on the previous contract period. The value of the contract exceeds the current financial plan in total. Potential positive variances of other contractual services as well as the use of this service may vary by year. Sufficient funds will be provided in the Operations & Maintenance (O&M) financial plan for this contract related to contractual professional services.

Funding Source: Operations & Maintenance (O&M) Budget, CIP 260201/260200

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

Expense Type(s): Contractual Operating Services - All Sewer (617902); Construction (616900)

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

For Capital consideration CIP Program 260200 (Sewer and Interceptor Rehabilitation Program) is used for funding of this proposed change order in addition to the 260201 (Emergency Sewer Repair) planned project expenses as noted in the Board approved CIP Plan Appendix B.

<u>Fiscal Year</u>	<u>CIP 260200 Plan</u>	<u>O&M Budget</u>	<u>Total</u>
FY 2018 Budget	\$7,400,000.00	\$5,960,000.00	\$13,360,000.00
FY 2019 Budget	7,400,000.00	5,960,000.00	13,360,000.00
FY 2020 Budget	7,400,000.00	4,732,800.00	12,132,800.00
FY 2021 Budget	7,400,000.00	5,500,000.00	12,900,000.00
FY 2022 Budget	1,473,000.00	4,918,400.00	6,391,400.00
FY 2023 Plan (Prorated)	<u>3,607,000.00</u>	<u>2,459,200.00</u>	<u>6,066,200.00</u>
Financial Plan Forecast	\$34,680,000.00	\$29,530,400.00	\$64,210,400.00
Proposed Contract Amount	\$37,200,000.00	\$29,800,000.00	\$67,000,000.00
Variance (positive/(negative))	(\$2,520,000.00)	(\$269,600.00)	(\$2,789,600.00)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides an O&M variance of (\$269,600.00) (\$29,530,400.00 financial plan forecast less \$29,800,000.00 proposed contract amount) and a CIP negative variance of \$2,520,000.00 (\$34,680,000.00 final plan forecast less \$37,200,000.00 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 August 11, 2021. The Operations and Resources Committee recommended referring this item to the full Board without a recommendation, and requested a report from staff regarding the delay in procuring a new contract and the original contract date.

SHARED SERVICES IMPACT

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