



Legislation Details (With Text)

File #: 2023-198 **Version:** 1 **Name:**

Type: Resolution **Status:** Passed

File created: 5/23/2023 **In control:** Board of Directors

On agenda: 6/28/2023 **Final action:** 6/28/2023

Title: Proposed Change Order No. 4
Contract No. 1802745
Water Transmission Main, Valve and Other Priority Repairs
CIP #170503 / BCE Score: N/A

Sponsors: Cheryl Porter

Indexes: Water Operations

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
6/28/2023	1	Board of Directors	Approved	Pass
6/14/2023	1	Operations and Resources Committee	Recommended for Approval	Pass

Proposed Change Order No. 4

Contract No. 1802745

Water Transmission Main, Valve and Other Priority Repairs

CIP #170503 / BCE Score: N/A

Agenda of: June 28, 2023

Item No.: **2023-198**

Amount:	Original Contract	\$15,000,000.00
	Change Order No. 1	00.00
	Change Order No. 2	00.00
	Change Order No. 3	3,000,000.00
	Proposed Change Order No. 4	4,000,000.00
	Total Revised Contract	\$22,000,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: May 26, 2023

RE: Proposed Change Order No. 4

Contract No. 1802745

Water Transmission Main, Valve and Other Priority Repairs

Vendor: Ric-Man Construction, 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. 1802745, Proposed Change Order No. 4, “Water Transmission Main, Valve and Other Priority Repairs” with Ric-Man Construction, Inc., at an increased cost of \$4,000,000.00 for a total cost not to exceed \$22,000,000.00, with no increase in duration for a total contract duration of five (5) years;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The GLWA Water Transmission System consists of a network of approximately 800 miles of large (greater than 24-inch diameter) water mains that serve 3.8 million people across 112 communities that are represented by 88 Member Partners in eight (8) counties of southeastern Michigan. There are approximately 10,000 air, blow-off, and isolation valves associated with these mains. The average pipe age is over 60 years old with some exceeding 150 years in age. This contract is used to respond to water main breaks, valve repairs, and other urgent projects as necessary to allow GLWA to provide water of unquestionable quality at the promised level of service to our member partners. Contract No. 1802745 is one of two concurrent emergency repair contracts, the other being Contract No. 2003730, that GLWA intends to maintain on a staggered basis. This contract will also support valve repairs determined from the Valve Exercising Program and the GLWA/DWSD water main decommissioning efforts.

JUSTIFICATION

The contractor for this work has been performing above GLWA staff expectations. This additional funding is requested due to expenses associated with the 120-inch water main break and to support the reinforcement of identified distressed pipes along the 14-Mile Transmission main. The requested funding will allow for this contract to be funded for the approximately one-year period necessary to advertise, bid, and award the replacement contract for this work. The Request for Proposal (RFP) language will be submitted to Procurement prior to the end of May 2023. GLWA staff recommends the additional budget to fund this contract for an additional year to continue the services.

PROJECT MANAGEMENT STATUS

Original Contract Time	2 years (08/26/2019 - 08/26/2021)	
Change Order No. 1	1 year	(08/27/2021 - 08/26/2022)
Change Order No. 2	1 year	(08/27/2022 - 08/26/2023)
Change Order No. 3	1 year	(08/27/2023 - 08/26/2024)
Proposed Change Order No. 4	0 years	
New Contract Time	5 years (08/26/2019 - 08/26/2024)	

PROJECT ESTIMATE

Original Contract Price	\$15,000,000.00
Change Order No. 1	0.00
Change Order No. 2	0.00
Change Order No. 3	3,000,000.00
Proposed Change Order No. 4	4,000,000.00
New Contract Total	\$22,000,000.00

FINANCIAL PLAN IMPACT

Summary: The proposed change order with Ric-Man Construction, Inc. encompasses Capital Improvement Plan and Operations & Maintenance expenses. Sufficient funds will be provided in the Operations & Maintenance (O&M) and CIP financial plan for this project.

Funding Source: Operations & Maintenance (O&M) Budget; CIP 170503

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

Expense Type(s): Construction (616900); Contractual Operating Services - All Water (617901)

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

	CIP	O&M	Total
Original Contract Price	\$10,000,000.00	\$5,000,000.00	\$15,000,000.00
Change Order No. 1 (Time Only)	0.00	0.00	0.00
Change Order No. 2 (Time Only)	0.00	0.00	0.00
Change Order No. 3	2,000,000.00	1,000,000.00	3,000,000.00
Proposed Change Order No. 4	<u>2,800,000.00</u>	<u>1,200,000.00</u>	<u>4,000,000.00</u>
New Contract Total	14,800,000.00	7,200,000.00	22,000,000.00
Financial Plan Forecast	<u>12,000,000.00</u>	<u>5,433,300.00</u>	<u>17,433,300.00</u>
Estimating Variance	(\$ 2,800,000.00)	(\$1,766,700.00)	(\$ 4,566,700.00)

The award of this change order provides an O&M variance of \$1,766,700.00 (\$6,000,000.00 proposed contract amount less \$5,433,300.00 financial plan forecast) and a CIP negative estimating

variance of \$2,800,000.00. A budget amendment will be necessary to record the estimating variance and will be funded from Program No. 170500. The CIP financial plan (forecast) is per the FY 2024-2028 CIP Plan. 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 14, 2023. 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.