



Legislation Text

File #: 2017-436, Version: 1

GLWA-CON-208

Water Works Park Water Treatment Plant Chlorine Disinfection System Replacement and Improvements

Agenda of: November 29, 2017

Item No.: **2017-436**

Amount: \$6,110,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: **November 29, 2017**

RE: **Contract No.: GLWA-CON-208**
Water Works Park Water Treatment Plant Chlorine Disinfection System Replacement and Improvements
Vendor: Detroit Contracting, 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. GLWA-CON-208, "Water Works Park Water Treatment Plant Chlorine Disinfection System Replacement and Improvements" with Detroit Contracting, Inc., at a cost not to exceed \$6,110,000.00 for a duration of two (2) years and three (3) months;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Chlorine is used to disinfect raw water, finished water and backwash water at the Water Works Park (WWP) Water Treatment Plant (WTP). In addition, chlorine is fed to the raw water tunnel that serves Springwells and Northeast WTPs. When the WWP ozone system is non-operational, the raw water chlorine feed must be substantially increased to meet

Michigan Department of Environmental Quality (MDEQ) Safe Drinking Water Act regulatory requirements for sufficient contact time for disinfection. The existing chlorine system was designed for maximum flows and lacks sufficient turn down capacities to meet average flow requirements. In addition, the existing system has experienced numerous leaks that pose safety issues to staff and potentially the public. The new system will replace the existing equipment and provide the enhanced flexibility to meet seasonal flows. Safety improvements include standardization of the chlorine equipment to match the other four WTPs, upsizing of the chlorine scrubber from one ton to two ton capacity, and converting all piping outside of the chlorine feed and storage rooms from gas to solution.

JUSTIFICATION

The existing chlorine system at WWP WTP is 15 years old and lacks sufficient flexibility to meet current use requirements. In addition, the ongoing leaks of the current WWP WTP chlorine system are unacceptable and cause disruptions to WWP operations and potential health and safety issues for workers and the surrounding area.

Procurement Method: Competitively bid - Request for Bid (RFB).

Advertised:	August 16, 2017 On Michigan Inter-governmental Trade Network (MITN) website
Distributed to:	190 vendor(s)
Downloaded by:	12 vendor(s)
Addendums released:	4
Response due date:	September 27, 2017
Responses received:	5 vendor(s) submitted bid(s)
Evaluation Method:	Request for Bid (RFB) - Lowest cost, responsive and responsible Bidder

<u>Vendor (Lowest Cost to Highest)</u>	<u>Cost</u>
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Detroit Contracting, Inc.	\$6,110,000.00
Weiss Construction Company	\$6,125,099.00
J.F. Cavanaugh Company	\$6,593,268.00
Tooles Contracting Group	\$6,600,000.00
LGC Global, Inc.	\$9,972,296.00

It is recommended that Detroit Contracting, Inc. be awarded this contract.

Minority Business Enterprise (MBE):	No
Detroit Based Business (DBB):	No
Small Business Enterprise (SBE):	Yes

Sub-Contractor(s) List for Detroit Contracting, Inc.:

- Blue Star (Demolition)
- Crane Technologies (Hoist and Trolley)
- DeCal Mechanical (Mechanical)
- Eugenio Painting (Painting)
- Overhead Door West (Doors)
- Ram Construction (Concrete)
- Rotor Electric (Electrical)
- Zak Welding (Field Structure)

Litigation

This vendor is not currently nor has been previously involved in any litigation with the GLWA.

Financials

A financial risk assessment was performed by the GLWA via Dun & Bradstreet and was determined that the selected vendor has the financial capacity to perform the tasks under this contract. This information is available for the Board of Directors to review upon request.

Project Estimate

The pre-proposal construction estimate for this project is \$9,000,000.00.

BUDGET IMPACT

The proposed Water Works Park Water Treatment Plant Chlorine Disinfection System Replacement and Improvements construction is included in the Board approved 2018 - 2022 Capital Improvement Plan (CIP). The proposed contract award of \$6,110,000.00 is within the \$9,000,000.00 construction budget as shown in 2018 Board approved CIP. The construction budget total of \$9,000,000.00 is inclusive of in-house salaries capital allocation of \$169,000.00. The revised construction budget is now \$6,279,000.00. A budget amendment is required to adjust the timing of the budgeted projected spend to the proper fiscal year. The estimated budget amendment by fiscal year allocation is shown in the table below.

<u>Construction Budget</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>Total</u>
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115004

Original CIP Request	\$500,000	\$8,500,000	\$0	\$9,000,000
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115004

Revised Projected Spend	\$2,500,000	\$3,279,000	\$500,000	\$6,279,000
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Preliminary Budget

Amendment Estimate (Timing)	\$2,000,000	(\$5,221,000)	\$500,000	\$2,721,000
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SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

This award of this contract budget provides a preliminary positive budget estimating variance of \$2,721,000.00 (\$9,000,000.00 budget less \$6,279,000.00 revised estimated budget). Sufficient data is not presently available to quantify additional savings from improved operational efficiency.

COMMITTEE REVIEW

This matter was reviewed by the Operations and Resources Committee at its meeting on November 8, 2017. 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.