



Legislation Text

File #: 2018-526, Version: 1

GLWA-SOQ-135A

Security Infrastructure Improvements

Agenda of: January 24, 2018

Item No.: **2018-526**

Amount: \$7,604,479.08

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: January 24, 2018

RE: Contract No.: GLWA-SOQ-135A
Security Infrastructure Improvements
Vendor: Rotor Electric Company of Michigan, LLC

MOTION

Upon recommendation of W. Barnett Jones, Chief Security and Integrity Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **authorizes the Chief Executive Officer (CEO) to enter into Contract No. GLWA-SOQ-135A, "Security Infrastructure Improvements" with Rotor Electric Company of Michigan, LLC, at a cost not to exceed \$7,604,479.08 for a duration of 3 years, provided that the Security & Integrity Group shall provide the Board with regular reports, on no less than a quarterly basis, regarding the nature and purpose of the expenditures under the Contract; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.**

BACKGROUND

GLWA facilities have been designated as "Critical Infrastructure" by the United States Department of Homeland Security (DHS). Critical Infrastructure is under constant threat by malicious people intent on disruption and destruction. GLWA staff is engaged in a continual process of threat and vulnerability assessment to our facilities, operations, and staff. Using several assessment tools including, DHS Site Assessments, incorporating AWWA security recommendations, and utilizing GLWA's historical assessment data, we have the basis for initiating a strategic plan for security infrastructure improvements. The resulting data from these assessments formulate recommendations for mitigating vulnerabilities. The

implementation of these recommendations requires an efficient and effective design, procurement, and construction process.

JUSTIFICATION

GLWA has a responsibility in the layered approach to critical infrastructure security; partnering with Federal, State, and Local law enforcement entities to minimize and respond to threats. This partnership required GLWA to maintain a minimum security posture equating to the Critical Infrastructure designation.

Implementation of the security protocols were none existent, and improving the GLWA security foot print can reduce our vulnerabilities and enhance our response to known threats.

PROCUREMENT METHOD

Competitively bid - Request for Proposal (RFP)

Advertised: August 4, 2017
On Michigan Inter-governmental Trade Network (MITN) website.

Distributed to: 684 vendors

Downloaded by: 8 vendors

Addendums released: 2

Response due Date: September 27, 2017

Responses received: 5 vendors submitted proposals

Type of contract: Fixed price by task

Evaluation Method: Qualification Based Selection (QBS) - Evaluation Committee

Evaluation Committee: Organization

GLWA - Security
GLWA - Water Resource Recovery Facility
GLWA - Facilities
GLWA - IT
GLWA - Water

The Evaluation Committee independently reviewed and scored the proposals in accordance with GLWA's policy. The proposers were ranked as follows:

Maximum Score Possible: 525

Vendor (Highest to lowest score)	Score	Proposed Cost
Rotor Electric	418.83	\$7,654,477.50
DES	409.25	\$6,844,221.37

GHD	380.25	\$8,586,004.45
Shaw Electric	373.67	\$7,642,386.00
Convergint	129.25	\$7,395,000.00

The Evaluation Committee recommends that Rotor Electric Company be awarded this contract.

Minority Business Enterprise (MBE): No

Detroit Based Business (DBB): Yes

Small Business Enterprise (SBE): No

Sub-Contractor(s) List:

D/A Central

Metco

Litigation

This vendor 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 available for the Board of Directors to review upon request.

Project Estimate

The estimate for this project is \$8,790,179.00.

Negotiations and Contract Costs

The negotiations team was able to obtain a cost savings of \$49,998.42.

Negotiations were concluded with the project cost \$7,604,479.08 deemed fair and reasonable per the Evaluation Committee recommendation. The scope of services will be executed according to the following task budgets and overall contract amount:

<u>Task</u>	<u>Original Fee</u>	<u>Negotiated Fee</u>
1. Program Management	\$ 706,785.00	\$ 668,202.72
2. Preliminary and Final Design	\$ 364,875.00	\$ 364,875.00
3. Bidding, Construction Contract Negotiations and Contract Admin.	\$ 409,042.50	\$ 397,626.36
4. System O&M Manual SOP's and Training	\$ 173,775.00	\$ 173,775.00
5. Insurance and Bonds	\$ 0.00	\$ 0.00
6. Construction Provisional Allowance*	\$6,000,000.00	\$6,000,000.00
Total Contract Price	\$7,654,477.50	\$7,604,479.08

**An amount included in the Contract Price to reimburse the Contractor for the cost to furnish and perform Work that is*

uncertain contingent upon prior written approval by the GLWA Project Manager. Any remaining balance upon final completion shall be retained by the GLWA and not paid to the Contractor.

BUDGET IMPACT

The Security Infrastructure Improvements Project is within the Capital Outlay Investment and Extension Fund Approved by the Board for FY 2018. There will be no significant impact on the Operations and Maintenance budget for any MINIMAL SPOT repairs.

FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
\$5,415,789	\$1,186,340	\$1,071,847	\$913,012	\$413,012

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a positive variance of \$1,185,699.92 (project estimate amount \$8,790,179.00 less contract amount \$7,604,479.08). Sufficient data is not presently available to quantify additional savings from improved operational efficiency.

ADDITIONAL OPTIMIZATION INFORMATION

Previous Vendor: N/A

Benchmarking was completed by comparing rates based on the proposal submittals and indicate that Rotor Electric Company, rates are in competitive range. The rate comparisons are illustrated in the attached document labeled "Task Evaluation for GLWA-SOQ-135A."

COMMITTEE REVIEW

This matter was reviewed by the Operations and Resources Committee at its meeting on January 10, 2018.

SHARED SERVICES IMPACT

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