

## Legislation Text

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File #: 2018-536, Version: 1

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### GLWA-CON-212

#### Lake Huron Water Treatment Plant Mechanical Improvements

Agenda of: January 24, 2018

Item No.: **2018-536**

Amount: \$7,660,000.00

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

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

**DATE:** January 5, 2018

**RE:** Contract No. GLWA-CON-212  
*Lake Huron Water Treatment Plant Mechanical 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-212, "Lake Huron Water Treatment Plant Mechanical Improvements" with Detroit Contracting, Inc., at a cost not to exceed \$7,660,000.00 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

The Lake Huron Water Treatment Plant (LH WTP) was completed and put into service in 1976. The heating, ventilation, air conditioning (HVAC) and de-humidification systems are all original to the completion of the LH WTP. The failure of the dehumidification system allows condensation to occur on pipes and equipment in the filter gallery, and in combination with the chlorine in the atmosphere from disinfection, creates a corrosive environment that significantly reduces the life span of equipment, particularly electronic instrumentation and controls. In addition, modifications will be made to the electrical room ventilation to reduce moisture, dissipate heat, and maintain a positive pressure. This change will reduce the low

levels of atmospheric chlorine and comply with the Michigan Department of Environmental Quality (MDEQ) standards for air exchange rates. Finally, the replacement of the dehumidification unit with a desiccant wheel type unit will further reduce moisture in the filter piping gallery and extend the equipment and instrumentation life.

This work was identified under CIP No. 1280 (new CIP No. 111002) and originally approved by the Board on March 11, 2015, as part of the FY16 CIP. A design contract was procured (CS-1732) and awarded to Tetra Tech in the spring of 2016. The design contract included study of the existing systems, alternatives development, basis of design, and final design which were completed in the summer of 2017.

### **JUSTIFICATION**

The mechanical systems at the LH WTP are original to the WTP (ca. 1976) and are beyond the end of their design life. The replacement of these systems will protect vital process and operational areas from freezing and overheating. In addition, dehumidification and ventilation improvements will extend the life of filter piping, valves, instrumentation and appurtenances that are adjacent to the filters. Finally, the addition of computer room air conditioners will extend the life of the electrical components in the main electrical and high lift variable frequency drive rooms. The replaced components will allow the LH WTP HVAC systems to be operated in a more efficient manner with equipment and control systems meeting the current energy efficiency codes and standards.

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

Advertised:	September 26, 2017
	On Michigan Inter-governmental Trade Network (MITN) website
Distributed to:	515 vendors
Downloaded by:	23 vendors
Addendums released:	3
Response due date:	November 20, 2017
Responses received:	5 vendors submitted bids
Evaluation Method:	Request for Bid (RFB) - Lowest cost, responsive and responsible Bidder.

<b><u>Vendor (Lowest Cost to Highest)</u></b>	<b><u>Cost</u></b>
Detroit Contracting, Inc.	\$7,660,000.00
Tooles Contracting Group	\$7,800,000.00
Weiss Construction Company	\$9,032,457.00
DeCal, Inc.	\$9,348,950.00

J.F. Cavanaugh Company

\$9,775,356.00

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
Dynamic Glazing	Glazing
Ferndale Electric	Electrical
Harpco MCHI	Piping
J.J. Barney	Concrete
Lutz Roofing	Roofing
Michigan Overhead Doors	Doors
National Abatement	Asbestos
Niles Painting	Painting
Techborne	HVAC
WWTS, LLC	Control
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 construction estimate for this project is \$7,902,000.00.

### **BUDGET IMPACT**

The proposed Lake Huron Treatment Plant Mechanical Improvements is included in the Board approved FY2018-2022 Capital Improvement Plan with a construction phase project total of \$7,200,000.00. The proposed construction phase contract award of \$7,660,000.00 creates a budgetary shortfall in the project of \$460,000.00, which will be resolved by funding contributed from CIP 170100 Water Treatment / Pump Station Allowance. A budget amendment will be prepared to allocate funds as detailed below.

CIP	FY 2018	FY 2019	FY 2020	FY 2021	Total
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CIP 111002: Board Approved Planned Spend Construction Phase	\$800,000.00	\$3,000,000.00	\$3,000,000.00	\$ 400,000.00	\$7,200,000.00
CIP 170100: Fund Transfer	\$381,000.00	\$579,000.00	(\$100,000.00)	(\$400,000.00)	\$460,000.00
CIP 111002: Adjusted Planned Spend Construction Phase	\$1,181,000.00	\$3,579,000.00	\$2,900,000.00	-	\$7,660,000.00

### **SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT**

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 January 10, 2018.

### **SHARED SERVICES IMPACT**

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