



## Legislation Text

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**File #:** 2018-739, **Version:** 1

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### GLWA-CON-280

#### Relocation of Industrial Waste Control Division to WRRF

Agenda of: May 23, 2018  
Item No.: **2018-739**  
Amount: \$1,653,600.00

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

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

**DATE:** May 4, 2018

**RE:** **Contract No.: GLWA-CON-280**  
**Relocation of Industrial Waste Control to WRRF**  
**Vendor: Tooles Contracting Group**

#### MOTION

Upon recommendation of Suzanne Coffey, Chief Planning Officer, Interim Chief Operating Officer - Wastewater, 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-280, "Relocation of Industrial Waste Control to WRRF" with Tooles Contracting Group, at a cost not to exceed \$1,653,600.00 for a duration of 210 days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

#### BACKGROUND

GLWA's Industrial Waste Control group (IWC) is responsible for implementing and enforcing city and federal regulations pertaining to the pretreatment of industrial wastewater. IWC has 32 employees and its operation requires a sampling/preparation area, conference/training rooms, file storage, and open offices. Samples are collected in the field and delivered to the Analytical Laboratory on Second Avenue in Detroit for testing. The IWC building, located at 303 S. Livernois, is planned to be demolished to make way for the Detroit River International Crossing Plaza (Gordie Howe Bridge Project) and its operations are planned to be relocated to the GLWA Water Resource Recovery Facility's New Administration Building. GLWA has been working in partnership with DWSD and the Michigan Department of Transportation on this effort. The property transfer has already been approved. The acquisition price of the property of \$2,771,520 has already been authorized by the City of Detroit with the proceeds coming to the GLWA. Also, relocation

expenses have been identified as reimbursable by MDOT at an amount currently under negotiation.

It is important to note that the renovations needed to relocate the IWC operations was previously included in a larger project that would have undertaken the renovations necessary to relocate the Analytical Laboratory as well. Due to the timing required for the Gordie Howe Bridge Project, the IWC relocation was accelerated. The larger project is project identified as 214001 in the FY2019 CIP. The renovations for the Analytical Laboratory will be completed as a separate phase to be designed, bid and built separately.

### **JUSTIFICATION**

The relocation of IWC to the WRRF will result in the reduction of building maintenance and utility annual expenses of approximately \$185,000.00 and to make better use of our existing assets. The reduction in expenses has been reflected in the upcoming five - year financial plan. Additionally, having the IWC and Analytical Laboratory team members co-located provides a synergistic and travel time benefit as the two group's work is very interrelated.

### **FINANCIAL PLAN IMPACT**

**Summary:** CIP 214001 (i.e. "WRRF Relocation of Industrial Waste Control Division and Analytical Laboratory Operations") is intended to fund two separate projects:

- a) the relocation of Industrial Waste Control from its current location to WRRF
- b) Analytical Laboratory Renovations at WRRF. The project to date is within the total budget.

**Funding Source:** Sewage Construction Bond

**Cost Center:** Wastewater Engineering

**Expense Type:** Construction (5421-892211.000-616900-214001)

**Estimated Cost by Year:** See table below based upon Capital Improvement Plan (CIP) excerpt, page 142.

<b>Fiscal Year</b>	<b>Amount</b>
Financial Plan Estimate per CIP	\$ 12,947,000
<b>This Project's Maximum Contract</b>	<b>1,654,000</b>
Less prior years	182,000
Remaining CIP Estimated Value	\$ 11,111,000

The net book value of the asset being disposed of is \$2,477,384 as of April 1, 2018. An approximated value of removable assets/equipment of \$300,000 is included this total, which may be able to be used in other facilities.

### **COMMITTEE REVIEW**

This item was presented to the Operations and Resources Committee at its meeting on May 9, 2018. 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.