

Legislation Text

File #: 2019-078, Version: 1

Contract No. GLWA-CS-272 Capital Improvement Program Delivery

Agenda of: February 27, 2019
Item No.: **2019-078**
Amount: \$58,611,059.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: February 22, 2019

RE: **Contract No. GLWA-CS-272
Capital Improvement Program Delivery**

MOTION

Upon recommendation of Suzanne Coffey, Chief Planning 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-CS-272, "Capital Improvement Program Delivery" with AECOM Great Lakes, Inc., at a cost not to exceed Fifty-Eight Million, Six Hundred-Eleven Thousand and Fifty-Nine Dollars (\$58,611,059.00) for a duration of four (4) years;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Since its inception, GLWA has significantly retooled its organizational structure and reworked job requirements for many of the positions that are involved in the delivery of the Capital Improvement Plan (CIP). Using its current business processes and staffing, GLWA has achieved the following,

combined (Water and Wastewater) annual CIP cash flow results for the CIP:

- **2016:** \$36.7 million (initial six-month fiscal year)
- **2017:** \$97.0 million
- **2018:** \$107.6 million
- **2019:** \$75.1 million (as of 12/31/18; six months into fiscal year)

The current 5-year CIP anticipates a peak delivery of \$343,632,000 in fiscal year 2023. To meet this requirement, we must increase our current delivery pace. An internal assessment identified that business process improvements, information technology improvements, review and support of the projects in the Capital Improvement Plan and construction engineering related support will be necessary to accomplish this goal.

JUSTIFICATION

The overall goal of this project is to establish efficient enterprise-wide CIP business processes, provide standards/tools, and identify resource needs that will ultimately enable GLWA team members to manage a best-in-class CIP Program Management Office (PMO), independent of Vendor resources. The tasks included with this contract are summarized below. Attached is a draft scope of services which provides additional information.

Task 1 - CIP Business Process/Organizational Improvement Tasks;

This task will identify and map current CIP business processes from project planning through construction and provide recommendations for improvements to streamline and align with best practices and implementation.

Task 2 - CIP Delivery Standard Operating Procedure (SOP) Development;

This task will develop the standards and procedures that will define roles, responsibilities and guidance to be followed by GLWA team members in delivering CIP projects. The primary work product will be a library of SOPs that can be used in training, setting of expectations and other internal controls.

Task 3 - CIP Delivery Resource Evaluation;

This task will evaluate GLWA CIP staffing resources including the number of Full-Time Equivalent team members (FTEs), skill sets, organizational alignment within GLWA's existing structure. It will also provide a CIP resource development plan which will include recommended number of FTEs and their associated skill sets.

Task 4 - Project Management Information System (PMIS) Selection and Implementation;

This task will define the technical and function business requirements/selection for a new Project Controls/Management Consultant System (PMIS), assist with negotiations with a

selected vendor and assist with its implementation.

Task 5 - Project Controls and Reporting Support;

This task will provide staffing and reporting tools to be used for CIP project delivery. It is out of this element that we will have a full suite of data driven analytics that will allow timely performance data to be wrapped up in ways that are easily usable by the Executive team, Directors, Managers, and team members in the various Groups within the Authority.

Task 6 - CIP Validation;

This task will require the vendor to review the existing 5-year CIP plan and recommend changes based on project drivers such as schedules, packaging, delivery methods, sequencing, costs and available resources.

Task 7 - Engineering and Construction Staff Augmentation;

This task will provide additional staff where needed to help in the execution of the 5-year CIP plan as approved by GLWA. It is expected that this support will primarily come in the form of construction project engineers, designers and inspectors.

Task 8 - Advanced Facilities Planning;

This task will provide support in the creation of more reliable project scopes and costs for eight of the most complex projects within the existing CIP plan, as selected by GLWA. The complex projects are those that GLWA believes should have studies preceding the development of work scopes.

Task 9 - Allowance for Staff Augmentation other than Construction or Engineering;

This task will provide additional staff outside of construction or engineering where needed to help in the execution of the 5-year CIP plan as approved by GLWA.

Task 10 - Enterprise wide energy optimization and sustainability Planning;

This task will provide recommendations for an enterprise-wide energy optimization and suitability plan to be incorporated with our current and future CIP plans.

FINANCIAL PLAN IMPACT

See attached memo regarding financial plan impact.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

A key outcome of this project is to realize cost savings in capital delivery.

COMMITTEE REVIEW

This item is being brought to the full Board for consideration.

SHARED SERVICES IMPACT

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