



## Legislation Text

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File #: 2019-148, Version: 1

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### Proposed Change Order No. 1

**GLWA-CON-149**

**Emergency Sewer Repair**

**CIP# 260201/O&M**

Agenda of: April 24, 2019

Item No.: **2019-148**

Amount:	Original Contract	\$26,800,000.00
	Proposed Change Order No. 1	26,800,000.00
	Total Revised Contract	\$53,600,000.00

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

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

**DATE:** April 3, 2019

**RE: Proposed Change Order No. 1**  
**Contract No. GLWA-CON-149**  
**Emergency Sewer Repair**  
**Vendor: Inland Waters Pollution Control, 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-149 Change Order No. 1 "Emergency Sewer Repair" with Inland Waters Pollution Control, Inc., at an increased amount of \$26,800,000.00 for a total cost not to exceed \$53,600,000.00 for an increased duration of two (2) years for a total contract length 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**

The GLWA sewer system (approximately 180 miles of sewers ranging in diameter from 48-inch through 168-inch) is over 80 years old for the majority of the sewers. Because of the age of the sewers, they are susceptible to deterioration at a faster rate. Some are rated at higher PACP (Pipeline Assessment Certification Program) ratings, and immediate emergency action is often required. Sewer rehabilitation services are necessary to repair plugged, damaged and collapsed sewers to avoid basement flooding, and maintain the flows within the wastewater conveyance system.

### **JUSTIFICATION**

Contract No. GLWA-CON-149 "Emergency Sewer Repair" is for a duration of 24 months from July 17, 2017 and will expire on July 17, 2019. The contract was advertised, approved by the Board, and executed with an option to renew for an additional 24 months based on the Contractor's satisfactory performance, the Authority's need for additional services, and funding availability. These tasks may be considered as Operations and Maintenance (O&M) as well as Capital Improvement Projects (CIP) based on the scope of work. Examples of major tasks have included such things as the emergency stabilization and rehabilitation of the Northwest Interceptor along Warren Avenue in Detroit, repair and rehabilitation of identified structural O&M defects identified as needing immediate attention as part of the sewer inspection performed throughout the GLWA collection system, backwater gate inspections and repair to prevent Detroit and Rouge River inflow to the collection system, and a variety of manhole, hatch and structural repairs as necessary to maintain safe conditions around GLWA collection facilities.

The purpose of this contract is to provide the means of inspection, sewer lining and open cut repair of failed sewers and in-place rehabilitation of selected sewers using the procedures, methods and equipment of the cured-in-place pipe lining process.

The Contractor has performed the work meeting or exceeding GLWA's expectations and staff wishes to exercise the renewal option for this work to extend the contract for 24 months along with the associated annual budget of \$13,400,000.00 for a total amendment of \$26,800,000.00 and a new contract upper limit of \$53,600,000.00.

### **PROJECT MANAGEMENT STATUS**

Original Contract Time	2 Years
Change Order No. 1	2 Years
New Contract Time	4 Years

### **PROJECT ESTIMATE**

Original Contract Price	\$26,800,000.00
Change Order No. 1	26,800,000.00
New Contract Total	\$53,600,000.00

### **FINANCIAL PLAN IMPACT**

**Summary:** The proposed contract with Inland Waters Pollution Control, Inc. encompasses Capital Improvement Plan and Operations & Maintenance expenses. The value of the contract is within the current financial plan in total. Sufficient funds will be provided in the Operations & Maintenance (O&M) and CIP financial plan for this contract related to contractual operating services.

**Funding Source:** Operations & Maintenance (O&M) Budget; CIP 260200

**Cost Center(s):** Field Service Operations.....Centralized Services cost center 882431

**Expense Type(s):** Contractual Operating Services (617900); Construction (616900)

**Estimated Cost by Year and Related Estimating Variance:** See table below.

<u>Fiscal Year</u>	<u>CIP</u>	<u>O&amp;M</u>	<u>Total</u>
FY 2018 Budget	\$7,400,000	\$5,960,000	\$13,360,000
FY 2019 Budget	7,400,000	5,960,000	13,360,000
FY 2020 Financial Plan	7,400,000	6,160,800	13,560,800
FY 2021 Financial Plan	<u>7,400,000</u>	<u>6,281,600</u>	<u>13,681,600</u>
Total O&M Final Plan Estimate	\$29,600,000	\$24,362,400	\$53,962,400
Proposed O&M Contract Amount	\$29,760,000	\$23,840,000	\$53,600,000
Variance (positive/(negative))	\$ (160,000)	\$ 522,400	\$ 362,400

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

The award of this contract provides an O&M variance of \$522,400 (\$24,362,400 financial plan estimate less \$23,840,000 proposed contract amount) and a CIP variance of (\$160,000) to be funded from the unallocated portion of CIP Program 260200. Contractual services are dependent on several factors such as, delays in estimated start and end dates, environmental constraints, and other unforeseen circumstances that can cause the expenses to fluctuate from fiscal year to fiscal year.

### **COMMITTEE REVIEW**

This item was presented to the Operations and Resources Committee at its meeting on April 11, 2019. 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.