



Legislation Text

File #: 2019-224, Version: 1

Contract No. 1802745
Water Transmission Main, Valve and Other Priority Repairs
CIP# 170500 / BCE Score: 66.8

Agenda of: June 26, 2019
Item No.: **2019-224**
Amount: \$15,000,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: June 4, 2019

RE: **Contract No. 1802745**
Water Transmission Main, Valve and Other Priority Repairs
Vendor: Ric-Man Construction, 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. 1802745 "Water Transmission Main, Valve and Other Priority Repairs" with Ric-Man Construction, Inc., at a cost not to exceed \$15,000,000.00 for a duration of two (2) years;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

GLWA's large diameter water mains consist of approximately 800 miles of pipeline that are 24-inch in diameter and larger. These pipelines consist of cast iron (CI), ductile iron pipe (DIP), steel pipe, concrete cylinder pipe (CCP), and pre-stressed concrete cylinder pipe (PCCP). Most of the existing transmission mains and associated assets within the GLWA transmission system have passed its useful life. The depreciation period for pipe ranges from 65 to 100 years depending upon the material of construction. The actual asset life may increase or decrease depending upon quality, soil condition and other factors. Therefore, being prepared to address immediate repair and/or rehabilitation is often required.

JUSTIFICATION

Contract No. 1802745 is necessary to continue the water transmission asset repairs and rehabilitation. The scope of services for this project may include, but is not limited to, development of a site safety plan, shutdown/startup planning, pipeline dewatering, filling and disinfection, pipeline access, traffic control, valve repairs and replacements, emergency rehabilitation and replacement, and data verification.

BUDGET IMPACT

Summary: The proposed contract with Ric-Man Construction, 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 170500

Cost Center(s): Field Engineering.....Centralized Services cost center 882431

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

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

<u>Fiscal Year</u>	<u>CIP Plan</u>	<u>O&M Budget</u>	<u>Total</u>
FY 2020 Plan/Budget	4,000,000	2,550,000	6,550,000
FY 2021 Plan/Budget	3,274,000	2,600,000	5,874,000
FY 2022 Plan/Budget	<u>3,274,000</u>	<u>N/A</u>	<u>3,274,000</u>
Financial Plan Forecast	\$10,548,000	\$5,150,000	\$15,698,000
Proposed Contract Amount	\$10,000,000	\$5,000,000	\$15,000,000
Variance (positive/(negative))	\$ 548,000	\$ 150,000	\$ 698,000

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides an O&M variance of \$150,000 (\$5,150,000 financial plan forecast less \$5,000,000 proposed contract amount) and a CIP variance of \$548,000 to be funded from the unallocated portion of CIP Program 170500. 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 June 12, 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.