



Legislation Text

File #: 2019-268, Version: 1

Contract No. 1803776

Relocation of the Analytical Lab Operations to the Water Resource Recovery Facility

CIP#: 214001 / BCE Score: 62.2

Agenda of: July 24, 2019

Item No. **2019-268**

Amount: \$11,499,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: July 24, 2019

RE: **Contract No. 1803776**
Relocation of the Analytical Lab Operations to the Water Resource Recovery Facility
Vendor: Commercial Contracting Corporation

MOTION

Upon recommendation of Navid Mehram, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 1803776, "Relocation of the Analytical Lab Operations to the Water Resource Recovery Facility" with Commercial Contracting Corporation, at a cost not to exceed \$11,499,000.00 for a duration of 18 months;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The GLWA wastewater team currently operates two laboratories referred to as the Analytical Laboratory and the Operations Laboratory. The GLWA Analytical Laboratory is currently located at Michigan Center for High Technology (MCHT) Building on Second Avenue in Detroit. This facility is leased from New Technology Development Limited

Partnership for a yearly cost of approximately \$460,000.00. The lease term will expire on December 31, 2019, and afterwards, the Landlord has agreed, in good faith, to a month-to-month lease, effective January 1, 2020. The laboratory services performed by the Analytical Laboratory include analyses for the WRRF Compliance with its National Pollutant Discharge Elimination System (NPDES) permit, Industrial Waste Control (IWC) Sample, Combined Sewer Overflow (CSO) Sample, Residual Management and Part 503 Sludge, with limited Drinking Water and other Miscellaneous analyses. The Operations Laboratory is located at the WRRF Administration Building. The operations laboratory is responsible for sample collection and process analyses for day-to-day process control.

JUSTIFICATION

Both facilities have reached their useful life and require upgrades. GLWA evaluated several alternatives in lieu of rehabilitating the two independent facilities. The alternatives evaluated are as follows: (a) construction of a new facility; (b) relocation of Analytical Lab to Conner Creek CSO Facility; and (c) relocation of Analytical Lab to WRRF. The alternative analysis found the consolidation of the laboratory operations to one facility and the relocation of the Analytical lab to the WRRF to be the most favorable alternative.

This project will consolidate the Analytical and Operations laboratories to one location. The consolidation of the laboratories will provide cost savings in maintenance, utility bills, sample transportation time and fuel, and overall life cost to GLWA. Additionally, the consolidation will provide operational efficiencies including reduction in laboratory equipment, laboratory chemical storage and ordering, and reduction in standard operating procedures. The available space on the second floor of the new administration building will be utilized for the new laboratory.

FINANCIAL PLAN IMPACT

Summary: Sufficient funds are provided in the financial plan for this project.

Funding Source: Wastewater Construction Bond

Cost Center: Wastewater Engineering

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

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

Fiscal Year

FY 2020 Plan	10,968,000.00
Financial Plan Estimate	\$ 10,968,000.00
Proposed Contract Award	<u>11,499,000.00</u>
Negative Estimating Variance	(\$ 531,000.000)

A budget amendment will adjust the negative estimating variance from Capital Reserves.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The relocation of the analytical laboratory will eliminate the MCHT lease fee of approximately \$460,000.00 from the GLWA budget. Additionally, with the consolidation of the laboratories GLWA anticipate a cost saving from services and equipment that are currently duplicated.

COMMITTEE REVIEW

This matter was presented to the Operations and Resources Committee at its Special Meeting on July 24, 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.