



Legislation Text

File #: 2019-270, Version: 1

Proposed Change Order No. 1

Contract No. 1902226 GLWA-CON-170

Sludge Removal and Disposal Services at Northeast, Southwest and Springwells Water Treatment Plants

CIP#/BCE Score:

Agenda of: July 24, 2019

Item No.: **2019-270**

Amount:	Original Contract	\$15,298,560.00
	Proposed Changed Order No.1	3,500,000.00
	Total Revised Contract	\$18,798,560.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: July 3, 2019

RE: Proposed Change Order No. 1
Contract No. 1902226 GLWA-CON-170
Sludge Removal and Disposal Services at Northeast, Southwest and Springwells Water Treatment Plants
Vendor: Mobile Dredging and Video Pipe, 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. 1902226 GLWA-CON-170 Change Order No. 1 "Sludge Removal and Disposal Services at Northeast, Southwest, and Springwells Water Treatment Plants" with Mobile Dredging and Video Pipe, Inc., at an increased amount of \$3,500,000.00 for a total cost not to exceed \$18,798,560.00 for a duration of three (3) years and three**

(3) months; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Contract GLWA-CON-170 is a construction services contract for removing, dewatering, transporting, and disposing sludge from flocculation chambers and sedimentation basins at the GLWA’s Northeast, Southwest and Springwells Water Treatment Plants (WTP). Work began on this contract on January 1, 2018. Sludge has been removed and disposed from all three plants since the beginning of the contract. A second round of sludge removal and disposal work is currently being performed at the Northeast Water Treatment Plant. It is expected that most contract funds will be spent after this second round of work is complete at Northeast. A second round of sludge removal and disposal work is needed in 6 of the 8 sedimentation basins at Springwells later this summer through autumn this year. Up to an additional \$3.5 million will be needed to cover the cost of this last round of sludge removal and disposal work at Springwells.

JUSTIFICATION

Sludge must be removed from 6 of the 8 sedimentation basins at Springwells this year so that these basins are suitable for service over the next 12 months. In addition, sludge must be removed from Sedimentation Basins 1-4 at Southwest so that influent and effluent sluice gates serving these basins may be replaced under another GLWA contract, Contract No. 1802774. Sludge removal is essential in maintaining finished water quality.

PROJECT MANAGEMENT STATUS

Original Contract Time	3 years 3 months
Proposed Change Order No. 1	N/A
New Contract Time	3 years 3 months

PROJECT ESTIMATE

Original Contract Price	\$ 15,298,560.00
Proposed Change Order No. 1	3,500,000.00
New Contract Total	\$ 18,798,560.00

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Mobile Dredging and Video Pipe, Inc. encompasses Operations & Maintenance expense only. The FY 2020 budget and five-year financial plan was based on the previous contract period. The value of the contract exceeds the current financial plan in total. Potential positive variances of other contractual services as well as the use of this service may vary by year. The financial plan will be adjusted accordingly during the FY 2021 budget preparation to accommodate the proposed contract amount. Sufficient funds will be provided in the Operations & Maintenance (O&M) financial plan for this contract related to contractual operating services.

Funding Source: Operations & Maintenance (O&M) Budget

Cost Center(s): Springwells WTP.....Water Operations cost center 882141
Northeast WTP.....Water Operations cost center 882151
Southwest WTP.....Water Operations cost center 882161

Expense Type(s): Contractual Operating Services (617900)

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2018 Budget	\$2,627,400
FY 2019 Budget	4,551,900
FY 2020 Budget	6,416,600
FY 2021 Financial Plan	<u>4,906,800</u>
Financial Plan Forecast	\$18,502,700
Proposed Contract Amount	<u>\$18,798,560</u>
Variance (positive/ (negative))	\$(295,860)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a negative variance of \$295,860 (\$18,502,700 financial plan forecast less \$18,798,560 proposed contract amount). 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 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.