



## Legislation Text

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**File #:** 2019-362, **Version:** 1

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**Contract No. 1804129**

**Schoolcraft Road 48 Inch Water Transmission Main**

**CIP# 122005 / BCE 42.0**

**Agenda of:** October 31, 2019

**Item No.:** **2019-362**

**Amount:** \$14,490,960.20

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

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

**DATE:** October 2, 2019

**RE:** **Contract No. 1804129**  
**Schoolcraft Road 48 Inch Water Transmission Main**  
**Vendor: Lakeshore Global**

### **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. 1804129 "Schoolcraft Road 48 Inch Water Transmission Main" with Lakeshore Global, at a cost not to exceed \$14,490,960.20 for a duration of 730 days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

Contract No. 1804129 is a construction contract that involves constructing approximately 2.1 miles of new 48-inch diameter steel water transmission main along westbound Schoolcraft Road. This new main will replace an existing 48-inch diameter prestressed concrete embedded cylinder pipe (PCCP) located along eastbound Schoolcraft Road. This existing main is part of an older system with a history of catastrophic breaks. A portion of the new 48-inch diameter main was installed in the Interstate 96 (I-96) freeway when it was reconstructed in 2015 under the Michigan Department of Transportation (MDOT) Contract No. 82188-89095.

### **JUSTIFICATION**

The existing 48-inch PCCP transmission main along this segment of Schoolcraft Road has had a history of breaks. The manufacturer of this transmission main segment has a documented history of failures due to hydrogen embrittlement of its prestressed steel wires. Replacing this existing PCCP water transmission main will improve water service reliability in GLWA's system.

### **FINANCIAL PLAN IMPACT**

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

**Funding Source:** Water Construction Bond

**Cost Center:** Water Engineering

**Expense Type:** Construction (5519-882411.000-616900-122005)

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

Fiscal Year

FY 2020 Budget	\$ 7,945,000.00
FY 2021 Budget	8,990,000.00
FY 2022 Budget	<u>565,000.00</u>
Financial Plan Estimate	\$17,500,000.00
Proposed Contract Award	<u>14,490,960.20</u>
Positive Estimating Variance	\$ 3,009,039.80

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

Cost savings are not determinable at the time of award.

### **COMMITTEE REVIEW**

This item was presented to the Operations and Resources Committee at its meeting on October 9, 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.