



Legislation Text

File #: 2019-422, **Version:** 1

Contract No. 1803312
West Service Center Reservoir, Pump House and Division Valve Replacement
CIP# 132010 / BCE 54.0

Agenda of: December 19, 2019

Item No.: **2019-422**

Amount: \$44,900,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: December 3, 2019

RE: **Contract No. 1803312**
West Service Center Reservoir, Pump House and Division Valve Replacement
Vendor: Kokosing Industrial, 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. 1803312 “West Service Center Reservoir, Pump House and Division Valve Replacement” with Kokosing Industrial, Inc., at a cost not to exceed \$44,900,000.00 for a duration of 1,760 days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

GLWA's West Service Center Pumping Station (WSC) was constructed in the mid-1960s and is located in Southfield, Michigan. It boosts water pressure through a 54-inch water transmission main to GLWA's Newburgh Pumping Station and serves the City of Farmington, Farmington Hills, the City of Livonia, and Redford Township. The reservoirs are cast-in-place, reinforced concrete and are original to the station. The reservoirs are in very poor condition. Numerous repairs have been made to these reservoirs over the years and they are now beyond repair. In addition, the reservoir pumps in reservoir pump house No. 1 experience suction hydraulic issues whereby the pumps cannot be used to pump water out of the reservoir if the reservoir level falls below half full. Under a separate contract, the Springwells Water Treatment Plant will be taken out of service for raw water tunnel repairs. During this time, GLWA expects to provide service to the

Springwells high-pressure system from the Lake Huron Water Treatment Plant, through the WSC division valves and controlled using the flow control division valve vault No. 3. However, the flow control valve in division valve vault No. 3 at WSC is in poor condition and must be replaced to properly convey flows from the Lake Huron Water Treatment Plant to the Springwells high-pressure system through the WSC.

Proposed Contract No. 1803312 will be a design-build contract that includes design and construction services to implement capital improvements that will alleviate the aforementioned issues. The capital improvements include: demolition of the two existing reservoirs, demolition of the two existing reservoir pump houses including reservoir pumping units and reservoir fill lines, demolition of the existing flow-control division valve vault No. 3, construction of two new wire-wound prestressed concrete water storage reservoirs, construction of one new reservoir pump house equipped with reservoir pumping units and reservoir fill lines, construction of a new flow-control division valve vault No. 3, construction of sewer service for the existing line pumping station, construction of paved access drives to the division valve vaults, and rehabilitation of various division valve vaults.

JUSTIFICATION

Due to the poor condition of the existing reservoirs and the suction hydraulic issues of the reservoir pumping system, construction of two new reservoirs and a new reservoir pump house is needed to maintain good water quality in the reservoirs and adequate reservoir pumping capacity at the WSC. Additionally, replacement of the flow-control division valve vault No. 3 will improve the transmission system's operational flexibility. The proposed capital improvements will also increase system reliability and reduce maintenance associated with the aging assets at the WSC.

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 (5519-882411.000-616900-132010)

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

Fiscal Year

FY 2020 Budget	\$ 2,590,000.00
FY 2021 Budget	7,400,000.00
FY 2022 Budget	15,540,000.00
FY 2023 Budget	8,880,000.00
FY 2024 Budget	<u>2,590,000.00</u>
Financial Plan Estimate	\$37,000,000.00
Proposed Contract Award	<u>44,900,000.00</u>
Negative Estimating Variance	(\$7,900,000.00)

This negative estimating variance to be funded from capital reserves.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The 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 December 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.