



## Legislation Text

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File #: 2020-111, Version: 1

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### Proposed Change Order No. 1

**GLWA-1802410**

**Rehabilitation of Various Sampling Sites & PS2 Ferric Chloride System**

**CIP #216004**

Agenda of: April 22, 2020

Item No.: **2020-111**

Amount:	Original Contract	\$4,756,000.00
	Proposed Change Order No.1	\$806,137.00
	Total Revised Contract	\$5,562,137.00

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

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

**DATE:** March 10, 2020

**RE:** **Proposed Change Order No. 1**  
**Contract No.: GLWA-1802410**  
**Rehabilitation of Various Sampling Sites**  
**& PS2 Ferric Chloride System**  
**Vendor: Commercial Contracting Corporation**

### **MOTION**

Upon recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operating Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **amend the existing Contract GLWA-1802410, "Rehabilitation of Various Sampling Sites & PS2 Ferric Chloride System", with Commercial Contracting Corporation, at an increased cost of \$806,137.00 for a total cost of \$5,562,137.00** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

This project was originally developed as two separate projects during 2013-15. In 2017, the two projects were merged into one to minimize administrative and oversight effort. Many of the design elements had aged due to the long-time lapse since initial design.

On February 18, 2019, Great Lakes Water Authority awarded the Contract GLWA-1802410 (Rehabilitation of Various Sampling Sites & Pump Station No.2 Ferric Chloride System), to Commercial Contracting Corporation. This Contract is composed of two packages: A and B as follows.

Package "A" includes:

- The rehabilitation of 12 sampling stations at the Water Resource Recovery Facility.
- The installation of two new phosphorus analyzers; one to determine the level of soluble phosphorus at the primary effluent prior to entering the aeration tanks, and another analyzer to check the total phosphorus prior to discharging to the Detroit River Outfall (DRO) and Rouge River Outfall (RRO).

Package "B" includes:

- The replacement of existing Ferric Chloride Tanks and associated transfer and feed pumps at Pump Station No .2.

With the transition of leadership at the Water Resource Recovery Facility all active and future projects were re-evaluated for operational optimization, system resiliency and long-term vision for the facility. Provided that, GLWA determined that the scope of Package A and B needed to be revised. On April 12, 2019 GLWA notified the Contractor of the intent to make changes to GLWA-1802410 scope of work.

Accordingly, GLWA requested design consultants responsible for designated packages to redesign both Package A and B. The design Package B completed ahead of Package A and was supplied to the contractor on November 19, 2019 for proposal. The Contractor submitted a cost proposal on January 24, 2020 for a net amount of \$806,137.00 to perform the modified work. The changes included modification of existing facilities, providing equipment resiliency, and deleting a portion of the base contract scope of work.

The design team continues to make progress on Package A (the rehabilitation of various sampling sites) with an expected completion of April 2020. A future Change Order No. 2 will be processed for additional money and time to undertake the revised Package A work.

### **JUSTIFICATION**

GLWA has decided to modify Package B in order to provide operations an optimized design, provide equipment resiliency, while incorporating the entire process area. As of February 3, 2020, 49% of the contract time has elapsed and only 12% of the contract work is done because of the re-design effort. The GLWA team is in the process of reviewing the details of the submitted change proposal. In order to minimize the time delay on the project, the team requests the Board's approval for the not-to-exceed amount as submitted by the contractor. This allows GLWA staff to review the submitted change proposal and negotiate a fair and reasonable price with the Contractor as soon as possible.

The Contractor believes that they can complete the rehabilitation of the Ferric Chloride system per the revised design document before the original final completion date of February 7, 2021.

### **PROJECT MANAGEMENT STATUS**

Original Notice to Proceed: February 18, 2019

Original Contract Time: 720 days

Original Substantial Completion Date: August 11, 2020  
Original Final Completion Date: February 7, 2021  
Additional contract time: 0 days

#### **PROJECT ESTIMATE**

Original Contract Price: \$4,756,000.00  
Change Order No. 1: \$806,137.00  
New Contract Total: \$5,562,137.00

#### **FINANCIAL PLAN IMPACT**

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

**Funding Source:** Wastewater Construction Bond

**Cost Center:** Sewer Water

**Expense Type:** Construction (5421-892211.000-616900-216004)

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

Original Contract Price	\$4,756,000.00	
Proposed Change Order No. 1	806,137.00	
New Contract Total	5,562,137.00	
Amended Financial Plan Estimate	<u>4,756,000.00</u>	
Negative Estimating Variance		(\$806,137.00)

The award of this change order to the vendor creates a negative estimating variance of \$806,137.00. This variance will be funded from capital reserves. Please note that the GLWA FY 2021-2025 CIP has \$4,756,000.00 budgeted for contract 1802410.

#### **COMMITTEE REVIEW**

This item was presented to the Operations and Resources Committee at its April 8, 2020 meeting. The Operations and Resources Committee unanimously recommended that the CEO take appropriate action to implement the resolution consistent with the provisions of GLWA Board Resolution 2020-114.

#### **SHARED SERVICES IMPACT**

This item does not impact the shared services agreement between GLWA and DWSD.

