



Legislation Text

File #: 2020-267, Version: 1

Proposed Amendment No. 1

Contract Nos. 1901995 and 2000302

HVAC Building and Mechanical Systems Inspecting, Repair and Preventative Maintenance Services

CIP #/ BCE Score

Agenda of: August 26, 2020

Item No.: **2020-267**

Amount:	Original Contract Prices	\$850,000.00 each
	Proposed Amendment No. 1	<u>850,000.00</u> each
	Total Contract Amounts	\$1,700,000.00 each

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: July 17, 2020

RE: **Proposed Amendment No. 1**
Contract Nos.: 1901995 & 2000302
HVAC Building and Mechanical Systems Inspecting, Repair and Preventative Maintenance Services
Vendors: Conti Corporation and Dunbar Mechanical, Inc.

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operating Services, and 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 amend **Contract Nos. 1901995 and 2000302, Proposed Amendment No. 1 "HVAC Building and Mechanical Systems Inspecting, Repair and Preventative Maintenance Services"** with **Conti Corporation**, at an increased cost of \$850,000.00, for a total cost not to exceed \$1,700,000.00 and extending the contract by 6 Months for a total contract duration of 12 months, and with **Dunbar Mechanical** at an increased cost of \$850,000.00, for a total cost not to exceed \$1,700,000.00 and extending the contract by 6

Months for a total contract duration of 12 months; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

As GLWA's business processes and data analytics continue to improve and be refined, the team is identifying services and supplies that were previously procured on an as needed basis that can now be more proactively planned and competitively bid as entity wide contracts in the future. In this example, an improvement opportunity was identified for the planning and procurement of services rendered that align with DWSD RFP-49412 "HVAC Building & Mechanical Systems Program Management & On-Demand Repair Services". In the past, Detroit Water & Sewerage Department (DWSD) Board approval was sought for this procurement. This project was originally competitively bid, and two contractors were awarded. Acquisition of services and supplies since the GLWA transition were procured, as needed, on a decentralized basis utilizing the rate schedule from the 2015 DWSD contract. The scope of this contract as established in 2015 contains provisions for inspection and repair to the heating, ventilation and air conditioning (HVAC) equipment, and dehumidification equipment. The HVAC equipment includes natural gas-fired unit heaters, electric unit heaters, boilers, condensate return pumping units, steam traps, pressure relief devices, building mechanical instrumentation and controls, and all associated parts and equipment. The responsibility of the service between the two contractors was separated as follows:

Conti Corporation:

- Five Water Treatment Plants

Dunbar Mechanical Inc:

- Wastewater Operations
- Booster Stations
- CSO Stations
- Pumping Stations

Given the dollar amount of work in process, staff has determined that it is more prudent and transparent to view the individual, as needed, decentralized procurements as an entity wide need.

The previous GLWA Board approval from February 26, 2020 allowed GLWA to pay the current vendors for services already rendered but not paid. In addition, it established new contracts for HVAC services for both Conti Corporation and Dunbar Mechanical, Inc. to handle the interim needs through June 30, 2020, allowing time for GLWA to work on developing a competitive solicitation for new centralized HVAC services after June 30, 2020.

JUSTIFICATION

Shortly after the Board approval of February 26, 2020, a worldwide pandemic occurred that required GLWA to reprioritize to protect the safety of our team members, and the public health, safety, and welfare of the rate payers of GLWA. To achieve this goal, GLWA focused on new processes and procedures to be developed and instituted for all areas within our facilities. These process changes are for both GLWA team members and vendors who support us. Procurement of protective gear, essential sanitary items, and essential equipment had to be procured during a time when supply

could not keep up with demand. This necessitated the full focus of Procurement and Operational teams on the various COVID-19 initiatives in protecting our team members and maintaining continuity of operations.

The reprioritization of responsibilities caused the Request for Bid development to be delayed. With the operations reaching steady state with the new normal, the HVAC solicitation is elevated to the top of the priority list and in the process of being finalized for advertisement. The team anticipates to have new contracts awarded by December 2020. If new contracts are awarded prior to the expiration of the interim contracts as amended, the interim contracts will be terminated. The HVAC services are critical to the continuity of operation of GLWA facilities. The interim solution and subsequent new award(s) will be structured as centralized procurements to improve monitoring and control of spending for this service.

PROJECT MANAGEMENT STATUS

	Conti Corporation	Dunbar Mechanical, Inc.
	<u>Contract No. 1901995</u>	<u>Contract No. 2000302</u>
Original Contract Time	6 Months	6 Months
Proposed Amendment No. 1	6 Months	6 Months
New Contract Time	12 Months	12 Months

PROJECT ESTIMATE

	Conti Corporation	Dunbar Mechanical, Inc.
	<u>Contract No. 1901995</u>	<u>Contract No. 2000302</u>
Original Contract Price	\$850,000.00	\$850,000.00
Proposed Amendment No. 1	<u>850,000.00</u>	<u>850,000.00</u>
New Contract Total	\$1,700,000.00	\$1,700,000.00

FINANCIAL PLAN IMPACT

Summary: HVAC services are covered in the FY 2021 Operations and Maintenance (O&M) budget of both Water Operations (Water Treatment Plants and Pumping Stations) and Wastewater Operations (Operations and Combined Sewer Overflow facilities). While the budget should be

sufficient, it is recognized that HVAC is an as needed service. In the event that a budget amendment is needed, a reduction will be made in either another category or in the Unallocated Reserve.

Funding Source: Operations & Maintenance (O&M)

Cost Centers: Multiple Cost Centers throughout Water and Wastewater Operations

Expense Type(s): Contractual Buildings & Grounds Maintenance (617200)

Repairs & Maintenance-Equipment (622300)

Repairs & Maintenance-Facilities (622400)

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on August 12, 2020. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This contract will include possible services performed at facilities covered by Shared Service Agreement, Operations 008 (OPS-008). These facilities, Belle Isle CSO and Detroit Only Sewer Pumping Stations, are owned by the City of Detroit and operated under this Shared Service Agreement by the Great Lakes Water Authority.