



Legislation Text

File #: 2020-395, Version: 1

Contract No. 2002350

Preventative Maintenance and Repairs for Rotork Actuators

O&M

Agenda of: December 17, 2020

Item No.: **2020-395**

Amount: \$2,318,775.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: November 4, 2020

RE: **Contract No. 2002350**
Preventative Maintenance and Repairs for Rotork Actuators
Specialized Procurement
Vendor: Systems Specialties Company

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. 2002350 "Preventative Maintenance and Repairs for Rotork Actuators" with Systems Specialties Company in the amount of \$1,538,175.00 for a duration of three years, with two (2) one-year renewal options at a cost not to exceed \$390,300.00 for each renewal year for a total amount of \$2,318,775.00;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

There are 798 total actuators located in GLWA facilities. These actuators enable GLWA to maximize the use of installed automation, ensure proper functioning of facilities, and support the optimization

process. The actuators are an integral part of supporting the valves in water treatment systems. This contract will cover the inspection, preventative maintenance, and repairs if required for the Rotork actuators located at the water operation facilities, Water Resource Recovery Facility, and the CSO Basins.

Annual Preventative Maintenance (PM) Service

An annual PM service rate on a per unit cost basis for a contract term of three (3) years will include all labor performed under the preventative maintenance service, the “o” rings that are replaced, and new lithium batteries on all actuator models. This is based on a total quantity of 798 Rotork actuators at all GLWA facilities as follows:

- Water Operations - Five Water Treatment Plants (444)
- Water Resource Recovery Facility (52)
- Booster and Pumping Stations (35)
- CSO Basins (267)

After PM service, the units are warrantied for one (1) year period.

There are distinct differences in this contract relative to the previous contract established in 2014.

- There is an increase in the number of actuators being serviced - an addition of 36 actuators for service.
- There is a cost increase in the preventative maintenance offered per actuator. The previous contract cost was \$300 per actuator and that cost is now \$450. This results in an annual cost increase of \$119,700.
- The cost of training was higher, but still a necessary component of the contract thus, the number of offerings were decreased to mitigate the cost increase.
- The establishment of this new contract came with new processes that come with new fees:
 - The previous contract had a flat fee for repairs. The current charge structure is a cost per hour relative to the type of repair. A service not necessarily required, but available when needed.
 - Replacement parts were previously included in the flat fee which now carry an associated cost.

JUSTIFICATION

This is a new contract with a standalone vendor in which preventative maintenance and repair services are required for all 798 actuators. The number of actuators increased slightly from the previous contract due to some process modifications in the operational unit. After the first PM services are complete, all identified repairs will be prioritized based on criticality. The contractor will be responsible for all inventory requirements for the necessary replacement parts for the actuators.

The updated cost for the repair services were added to this contract and was based on previous contract experience and the vendor provided fee schedule. At the completion of each PM service, a one (1) year actuator warranty will be issued. This warranty will cover additional repair services that are required within the warranty time frame at no additional charge to GLWA. This warranty includes the cost of labor and spare parts.

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Systems Specialties Company encompasses Operations & Maintenance expense only. The FY 2021 budget and five-year financial plan was based on the analysis of prior preventative maintenance service over past fiscal years. The value of the contract is within the current financial plan in total. Sufficient funds will be provided in the Operations & Maintenance (O&M) financial plan for this contract related to contractual operating services and repairs and maintenance-equipment.

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

Cost Center(s): Water Works ParkWater Operations cost center 882131
Springwells WTP.....Water Operations cost center 882141
Northeast WTP.....Water Operations cost center 882151
Southwest WTP.....Water Operations cost center 882161
Lake Huron WTP.....Water Operations cost center 882171
Booster & Pump StationsMultiple Water & Sewer cost centers
Combined Sewer Overflow.....Multiple Sewer cost centers
Water Resource Recovery Facility.....Wastewater Operations 892221

Expense Type(s): Contractual Operating Services (617900)
Repairs & Maintenance-Equipment (622300)

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2021 Budget	\$290,600
FY 2022 Financial Plan	505,600
FY 2023 Financial Plan	513,700
FY 2024 Financial Plan	495,700
FY 2025 Financial Plan	<u>498,500</u>
Financial Plan Forecast	\$2,304,100
Proposed Contract Amount	<u>\$2,318,775</u>
Variance (positive/ (negative))	(\$14,675)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$14,675 (\$2,304,100 financial plan forecast less \$2,318,775 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 meeting on November 12, 2020. The item was postponed until the December 9, 2020 Operations and Resources Committee meeting, subject to receiving information from staff regarding cost increase in comparison to the previous contract.

The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item impacts the shared services agreement OPS-008: Detroit Only Pump Stations between GLWA and DWSD.