



Legislation Text

File #: 2020-435, Version: 1

Contract No.1900995
Preventive Maintenance and Repair of Electrical Equipment

Agenda of: December 17, 2020

Item No.: **2020-435**

Amount: \$9,702,372.98

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: December 16, 2020

RE: **Contract No. 1900995**
Preventive Maintenance and Repair of Electrical Equipment
Vendor: Motor City Electric Co.

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer Wastewater Operations and Cheryl Porter, Chief Operating Officer Water Operations 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. 1900995, "Preventive Maintenance and Repair of Electrical Equipment" with Motor City Electric Co., at a cost not to exceed \$9,702,372.98 for an initial duration of forty-two months and two optional one-year extensions;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority (GLWA) operates many switchgear, transformers, and other electrical power equipment throughout its 43 facilities. The included facilities are nine (9) combine sewer overflow, five (5) water treatment plants, nineteen (19) treated water booster stations, nine (9) stormwater and wastewater pumping stations and the Water Resource Recovery Facility (WRRF). Each of these facilities include electrical substations, ranging from one at a small facility to dozens at a large facility. The electrical substations operate high voltage electrical equipment that distribute power to our conveyance and treatment system from utility sources and emergency generators. This equipment requires frequent preventative and predictive maintenance to ensure the reliability of power supply to our facilities for uninterrupted operations.

JUSTIFICATION

GLWA has a large power distribution system that supplies the power to operate the facilities that provide drinking water and wastewater treatment. Each process site has a system of transformers, switchgear and other electrical power equipment that feeds critical equipment necessary for GLWA to achieve its operational goals. This complex system of electrical devices requires specialized maintenance and repair beyond the normal scope of work for GLWA staff. A vendor with specialized knowledge of these systems is required to perform preventative and predictive maintenance to ensure these critical assets are properly maintained to allow continued safe and reliable operation with no interruption in the delivery of GLWA's services.

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Motor City Electric Co. encompasses Operations & Maintenance expense only. Potential positive variances of other contractual services as well as the use of this service may vary by year. Sufficient funds will be provided in the Operations & Maintenance (O&M) financial plan for this contract related to contractual operating services and repairs & maintenance.

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

Cost Center(s): Water Operations.....Multiple cost centers

Wastewater Operations.....Multiple cost centers

Expense Type(s): Contractual Operating Services (617900)

Repairs & Maintenance (622300)

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2021 Budget (prorated 6 months)	\$ 854,950
FY 2022 Financial Plan	1,649,460
FY 2023 Financial Plan	1,666,660
FY 2024 Financial Plan	1,684,570
FY 2025 Financial Plan	1,704,120
FY 2026 Financial Plan	<u>1,723,960</u>
Financial Plan Forecast	\$9,283,720
 Proposed Contract Amount	 <u>\$9,702,373</u>
Variance (positive/ (negative))	(418,653)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The consolidation of the services under one contract for water and wastewater provide GLWA with a saving of 78% on the overall contract value for the services rendered by the vendor.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on December 9, 2020. 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.