



Legislation Text

File #: 2020-436, **Version:** 1

**Contract No. 2001492 and 2002240
Crane Services and Inspections
O&M**

Agenda of: December 17, 2020

Item No.: **2020-436**

Amount: \$1,530,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: November 20, 2020

RE: **Contract No. 2001492 and 2002240
Crane Services and Inspections
Vendor: Crane Technologies Group, 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 **enter into Contract No. 2001492 and 2002240, "Crane Services and Inspections" with Crane Technologies, in the amount of \$918,000.00 for a duration of three years, with two (2) one-year renewal options at a cost not to exceed \$306,000.00 for each renewal year for a total amount of \$1,530,000.00;** and authorizes the CEO to take such other action as maybe necessary to accomplish the intent of this vote.

BACKGROUND

The Great Lakes Water Authority owns and operates 96 overhead cranes throughout our wastewater

and 70 throughout our water facilities. The overhead cranes make it possible to safely move within the building large and heavy equipment that may need to be serviced or replaced. Additionally, GLWA utilizes some of the cranes for operational needs. For example, GLWA's water facilities use a crane to safely remove and add chlorine tanks for disinfection. The Water Resource Recovery Facility (WRRF) operates a clamshell crane for removing grit from the aerated grit tanks for disposal.

Proper inspection and maintenance of these cranes are a necessary part of ensuring the reliability of our operations and also are required by the Michigan Occupational Safety and Health Administration (MIOSHA) to be documented for regulatory compliance in our chlorine safety strategy plan. Failure to maintain the overhead cranes may cause injury to personnel and could hinder our operations. Additionally, failure to inspect the equipment with qualified inspectors could result in regulatory violations from EGLE or MIOSHA.

JUSTIFICATION

The reliability of the cranes throughout the GLWA facilities is necessary to ensure proper operations and maintenance of our assets and to maintain regulatory compliance for our facilities. To meet this need, GLWA has elected to utilize a vendor that retains the appropriate specialized technicians to complete the required inspection, preventive maintenance, repairs, and testing of the overhead cranes. With the award of this contract, the vendor will provide quarterly inspections and a more detailed condition assessment at six (6) month intervals. The condition assessment includes assessment of each crane's structural, mechanical, electrical, power supply and pendant control components. Also, the vendor will certify the load rating of the equipment in accordance with MIOSHA requirements. In addition to the frequent inspection and testing, the contract provides troubleshooting, repairs, and emergency response services, as necessary.

FINANCIAL PLAN IMPACT

Summary: The services outlined under this contact were anticipated in the Operations and Maintenance (O&M) budget for Water and Sewer operations. Should this contact be utilized at its maximum value it would exceed the current O&M budget. The provisional allowance for repairs, which may or may not be utilized, creates the majority of the shortfall. Should this allowance be needed a budget amendment may be required for this variance.

Funding Source: Operations and Maintenance (5910 - Water & 5960 - Sewer)

Cost Centers: Water Treatment Plants, Water Resource Recovery Facility and Combined Sewer Overflow Facilities

Expense Types:

617900 - Contractual Operating Services - Inspections & preventative maintenance

622300 - Repairs & Maintenance Equipment - Preventative maintenance and repairs

Estimated Financial Plan by Year and Related Estimating Variance:

FY 2021 Budget (Prorated)	\$ 89,450
FY 2022 Financial Plan	254,200
FY 2023 Financial Plan	257,900
FY 2024 Financial Plan	261,500
FY 2025 Financial Plan	265,300
FY 2026 Financial Plan (Prorated)	<u>134,550</u>
Total Financial Plan	\$1,262,900
Maximum Proposed Contract	\$1,530,000
Variance (positive/(negative))	<u>(\$ 267,100)</u>

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

This project provides for reliable operations of our overhead cranes. 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 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.