



Legislation Text

File #: 2020-440, Version: 1

Contract No. 1902548
Heating, Ventilation, and Air Conditioning (HVAC) Building and Mechanical Systems
Inspection, Repair, and Preventative Maintenance Services
O&M

Agenda of: December 17, 2020
Item No.: **2020-440**
Amount: \$20,880,990

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: December 3, 2020

RE: **Contract No. 1902548**
Heating, Ventilation, and Air Conditioning (HVAC) Building and Mechanical
Systems Inspection, Repair, and Preventative Maintenance Services
Vendors: Johnson Controls and PTS Contracting

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. 1902548, "Heating, Ventilation, and Air Conditioning (HVAC) Building and Mechanical Systems Inspection, Repair, and Preventative Maintenance Services" with Johnson Controls at a cost not to exceed \$6,591,954.00 and PTS Contracting, at a cost not to exceed \$5,790,800.00 for a duration of three years with two (2) 1-year renewal options at a cost not to exceed \$2,221,654 for Johnson Controls and \$2,027,464 for PTS for each renewal year for a total amount of \$20,880,990** 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 43 facilities which include 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). The scope of this contract as established 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. This equipment requires frequent preventative and predictive maintenance to ensure the reliability of power supply to our facilities for uninterrupted operations.

JUSTIFICATION

The Operations and reliability of the HVAC equipment for our facilities are critical to the continuity of operation of GLWA facilities. Many areas of GLWA facilities have regulatory requirements for air changes to protect GLWA team members. Minimum air flow also protects the equipment and electronics required for facility operations. This HVAC contract ensures that the appropriate preventative and corrective maintenance is performed to minimize interruptions to GLWA operations and maintenance activities.

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 the contracts are used their fullest, and 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: 5910 - Water, 5960 - Sewer)

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)

Estimated Financial Plan by Year and Related Estimating Variance:

FY 2021 Budget	\$ 1,927,585
FY 2022 Financial Plan	3,960,494

FY 2023 Financial Plan	4,007,054
FY 2024 Financial Plan	4,050,643
FY 2025 Financial Plan	4,096,200
FY 2026 Financial Plan (Prorated)	<u>2,081,750</u>
Total Financial Plan	\$20,123,726
Maximum Proposed Contract	\$20,880,990
Variance (positive/(negative))	<u>(\$ 757,266)</u>

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

This project provides for reliable operations of our HVAC systems. 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 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.