



Legislation Text

File #: 2021-132, Version: 1

**Proposed Amendment No. 1
Contract No. GLWA-CS-198
Asset Management Planning**

Agenda of: April 28, 2021
Item No.: **2021-132**
Amount: Original Contract \$4,113,267.09
Amendment No. 1 257,600.00
Total Revised Contract \$4,370,867.09

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: April 8, 2021

**RE: Proposed Amendment No. 1
Contract No. GLWA-CS-198
Asset Management Planning
Vendor: CH2M Hill Engineers, Inc.**

MOTION

Upon recommendation of Suzanne Coffey, Chief Planning Officer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) **to enter into Contract No. GLWA-CS-198 Proposed Amendment No. 1, "Asset Management Planning" with CH2M Hill Engineers, Inc., at an increased cost of \$257,600.00 for a total cost not to exceed \$4,370,867.09 and an increased duration of 365 days for a total contract duration of 1,461 Days;** 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's (GLWA) Asset Management group is committed to continuously improving asset

management at GLWA to increase reliability and efficiency and decrease life-cycle costs and equipment down-time.

When the Asset Management Group was created in 2016, several major initiatives were identified to ensure a culture of asset management within GLWA and to standup a robust asset management program. Based on these aspirations, GLWA secured a contract with CH2M Hill Engineers, Inc. in 2018 (GLWA-CS-198, "Asset Management Planning") to develop a strategic approach in advancing asset management at GLWA to meet Michigan Environment, Great Lakes and Energy (EGLE) requirements and to assist in the cost-effective management of GLWA's assets.

The contract included development of the Strategic Asset Management Plan (SAMP) and accompanying water and wastewater Asset Management Plan (AMP) updates. The SAMP was completed successfully in the fall of 2019, and work is currently underway for updating the water and wastewater AMPs. From the collaborative effort across GLWA, came many asset management related improvement initiatives that are currently being addressed. Additionally, several noteworthy programs are being developed as part of this contract that include asset condition assessments, risk and criticality assessment, asset audits, and strategic maintenance and reliability programs. This existing contract has jump started our journey of making asset management a standard way of doing our work.

JUSTIFICATION

This amendment includes a one-year contract extension and an additional \$257,600.00 in funding.

The one-year extension is being requested because many of the tasks within this contract were delayed due to the Coronavirus pandemic. These tasks required collaboration across all functional units, including operations and maintenance team members who were focusing on effectively ensuring water of unquestionable quality. The additional funding will be used to perform asset condition assessments and auditing of assets to ensure complete data collection. This work will round out this phase of our asset management efforts.

Examples of the additional work include performing visual condition assessments on water system assets related to rapid mixing, flocculation, sludge removal equipment, filter media, troughs, spray arms and filter rate control components as recently requested by the Michigan Environment, Great Lakes and Energy.

In addition, asset auditing efforts will be performed on all water assets to review and ensure complete and updated information within our work management system based on field verification of equipment nameplate data such as make, model and serial number.

PROJECT MANAGEMENT STATUS

Original Contract Time	1,096 days
Amendment No. 1	365 days
New Contract Time	1,461 days

PROJECT ESTIMATE

Original Contract Price	\$ 4,113,267.09
Proposed Amendment No. 1	257,600.00

New Contract Total \$ 4,370,867.09

FINANCIAL PLAN IMPACT

Summary: The services outlined under this contract are within the scope of the Planning Services Operations & Maintenance (O&M) budget for the Asset Management Group.

Funding Source: Operations and Maintenance (5910 - Water)

Cost Centers: Planning Services, Asset Management (886201)

Expense Type: Contractual Professional Services (617903)

Estimated Financial Plan by Year and Related Estimating Variance:

<u>Fiscal Year</u>	<u>Amount</u>
FY 2019 Budget	\$1,327,000.00
FY 2020 Budget	1,208,000.00
FY 2021 Budget	936,000.00
FY 2022 Financial Plan	<u>1,000,000.00</u>
Total Financial Plan	<u>\$4,471,000.00</u>
Original Contract	\$4,113,267.09
Proposed Amendment No. 1	<u>257,600.00</u>
Total Proposed Contract	\$4,370,867.09

Variance (Positive / (Negative))

\$100,132.91

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on April 14, 2021. 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.