



## Legislation Text

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File #: 2021-316, Version: 1

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### Proposed Change Order No. 3

**GLWA-CON-149**

### Sewer Transmission Line Repair

Agenda of: September 1, 2021

Item No.: **2021-316**

Amount:	Original Contract	\$26,800,000.00
	Change Order No. 1	26,800,000.00
	Change Order No. 2	0.00
	Proposed Change Order No. 3	13,400,000.00
	Total Revised Contract	\$67,000,000.00

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

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

**DATE:** August 4, 2021

**RE: Proposed Change Order No. 3**  
**Contract No. GLWA-CON-149**  
**Sewer Transmission Line Repair**  
**Vendor: Inland Waters Pollution Control**

### 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. GLWA-CON-149 Proposed Change Order No. 3 "Sewer Transmission Line Repair" with Inland Waters Pollution Control**, at an increased cost of \$13,400,000.00 for a total cost not to exceed \$67,000,000.00 and an increased duration of 183 days for a total contract duration of 1,992 days; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

Most of the GLWA existing sewers within the collection system are older than 80 years. Due to the age and deterioration of the sewer pipes, immediate repair and/or rehabilitation is often required. CON-149 is necessary to continue the sewer emergency repairs and rehabilitations. The GLWA sewer system consists of approximately 180 miles of sewers ranging in diameter from 48" through 168". As sewers age, they deteriorate at a faster rate. GLWA utilizes condition assessment and the PACP (Pipeline Assessment Certification Program) rating to assess sewer condition to track condition and rate of repair and rehabilitation. Often, an immediate emergency action is required, and sewer rehabilitation services are necessary to repair plugged, damaged, and collapsed sewers to avoid basement flooding, and maintain the flows within the wastewater conveyance system.

### **JUSTIFICATION**

The purpose of this contract is to provide the means of inspection, sewer lining and open cut repair of failed sewers and in-place rehabilitation of selected sewers using the procedures, methods, and equipment of the cured-in-place pipe lining process. This change order is being proposed to bridge the gap until the replacement project is in place. Further, Change Order No. 3 will be used to investigate damages, and any necessary follow up actions required based on the recent flood events, and to document Federal Emergency Management Agency (FEMA) claims.

### **PROJECT MANAGEMENT STATUS**

Original Contract Time	730 days
Change Order No. 1	731 days
Change Order No. 2	348 days
Proposed Change Order No. 3	183 days
New Contract Time	1,992 days

### **PROJECT ESTIMATE**

Original Contract	\$26,800,000.00
Change Order No. 1	26,800,000.00
Change Order No. 2	0.00
Proposed Change Order No. 3	13,400,000.00
Total Revised Contract	\$67,000,000.00

### **FINANCIAL PLAN IMPACT**

**Summary:** The proposed change order with Inland Waters Pollution Control Inc encompasses Capital Improvement Plan & Operations & Maintenance expenses. The FY 2022 budget and five-year financial plan was based on the previous contract period. The value of the contract exceeds the current financial plan in total. 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 professional services.

**Funding Source:** Operations & Maintenance (O&M) Budget, CIP 260201/260200

**Cost Center(s):** Field Service Operations.....Centralized Services cost center 882431

**Expense Type(s):** Contractual Operating Services - All Sewer (617902); Construction (616900)

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

For Capital consideration CIP Program 260200 (Sewer and Interceptor Rehabilitation Program) is used for funding of this proposed change order in addition to the 260201 (Emergency Sewer Repair) planned project expenses as noted in the Board approved CIP Plan Appendix B.

<u>Fiscal Year</u>	<u>CIP 260200 Plan</u>	<u>O&amp;M Budget</u>	<u>Total</u>
FY 2018 Budget	\$7,400,000.00	\$5,960,000.00	\$13,360,000.00
FY 2019 Budget	7,400,000.00	5,960,000.00	13,360,000.00
FY 2020 Budget	7,400,000.00	4,732,800.00	12,132,800.00
FY 2021 Budget	7,400,000.00	5,500,000.00	12,900,000.00
FY 2022 Budget	1,473,000.00	4,918,400.00	6,391,400.00
FY 2023 Plan (Prorated)	<u>3,607,000.00</u>	<u>2,459,200.00</u>	<u>6,066,200.00</u>
Financial Plan Forecast	\$34,680,000.00	\$29,530,400.00	\$64,210,400.00
Proposed Contract Amount	\$37,200,000.00	\$29,800,000.00	\$67,000,000.00
Variance (positive/(negative))	(\$2,520,000.00)	(\$269,600.00)	(\$2,789,600.00)

### **SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT**

The award of this contract provides an O&M variance of (\$269,600.00) (\$29,530,400.00 financial plan forecast less \$29,800,000.00 proposed contract amount) and a CIP negative variance of \$2,520,000.00 (\$34,680,000.00 final plan forecast less \$37,200,000.00 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 August 11,

2021. The Operations and Resources Committee recommended referring this item to the full Board without a recommendation, and requested a report from staff regarding the delay in procuring a new contract and the original contract date.

**SHARED SERVICES IMPACT**

This item does not impact the shared services agreement between GLWA and DWSD.