



Legislation Text

File #: 2021-380, Version: 1

**Proposed Amendment No. 1
Contract No. 1803705
Comprehensive Corrosion Control Optimization Study**

O&M

Agenda of: October 27, 2021

Item No.: **2021-380**

Amount:	Original Contract	\$6,931,618.82
	Proposed Amendment No. 1	779,000.00
	Total Revised Contract	\$7,710,618.82

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Interim Chief Executive Officer
Great Lakes Water Authority

DATE: October 6, 2021

**RE: Proposed Amendment No. 1
Contract No. 1803705
Comprehensive Corrosion Control Optimization Study
Vendor: Arcadis of Michigan, LLC**

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 Interim Chief Executive Officer (ICEO) to **enter into Contract No. 1803705 Proposed Amendment No. 1 “Comprehensive Corrosion Control Optimization Study” with Arcadis of Michigan, LLC, at an increased cost of \$779,000.00 for a total cost not to exceed \$7,710,618.82 with no increase in duration for a total duration of five (5) years;** and authorizes the ICEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The State of Michigan Department of Environment, Great Lakes, and Energy (EGLE) has revised the administrative rules

promulgated under the Michigan Safe Drinking Water Act, 1976 Public Act as amended, for lead and copper and the U.S. Environmental Protection Agency (EPA) is in the process of revising the federal Safe Drinking Water Act (SDWA) with respect to compliance with the federal Lead and Copper Rule (LCR). In response to these revisions, GLWA is conducting a Comprehensive Corrosion Control Study that will identify an optimized treatment approach to minimize lead and copper concentrations at consumer taps while at the same time averting adverse secondary impacts that can occur when treatment changes are made. The consultant's scope of services involves the following tasks:

1. Project kickoff meeting
2. Project management
3. Review existing data
4. Regulatory review
5. Model development
6. Harvesting customer service lines
7. Pipe scale analysis
8. Pipe loop study development
9. Pipe loop system fabrication and installation
10. Condition pipe loops
11. Pipe loop study
12. Conceptual design of optimized corrosion control program

The pipe loop study will use pipe loop rigs to test the effectiveness of different corrosion control treatments. Pipe loop rigs will be fabricated using various types of service lines (e.g., lead, galvanized) that are harvested from member partner distribution systems. Pipe loop rigs will be installed at the five water treatment plants and at five other "satellite" locations within the regional water system. The complexity of the pipe loop rigs will depend on the number and type of harvested services lines obtained from member partner communities, as well as the ability to find suitable satellite locations for the pipe rigs in the regional system. For these reasons, an allowance of \$1,000,000.00 for Task 9, pipe loop system fabrication and installation, was established in the contract based on GLWA's best estimate of the work involved when it prepared the request for proposals in November 2018. The purpose of this proposed amendment is to request that \$779,000.00 be added to the Task 9 budget to build and install the ten pipe loop rigs.

The start work date of this contract was November 22, 2019. The final completion date is November 8, 2024.

JUSTIFICATION

Fabrication and installation of the pipe loop rigs is an essential part of the corrosion control study. The budget that GLWA estimated for this work when it developed the request for proposals in late 2018 is not sufficient to complete this project's essential work in 2021. Adjusting the budgeted amount for Task 9 in this amendment will allow GLWA to proceed with using up 10 pipe loop rigs to conduct a comprehensive corrosion control optimization study.

PROJECT MANAGEMENT STATUS

Original Contract Time	5 years
Proposed Amendment No. 1	0 years
Total Contract Time	5 Years

PROJECT ESTIMATE

Original Contract Price	\$ 6,931,618.82
Proposed Amendment No. 1	779,000.00
Total Revised Contract	\$ 7,710,618.82

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Arcadis of Michigan LLC encompasses Operations & Maintenance expense only.

The FY 2022 budget and five-year financial plan was based on the need for additional consulting services related to the lead and copper rule to minimize concentrations. 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. The financial plan will be adjusted accordingly during the FY 2024 budget preparation to accommodate the proposed contract amount. 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

Cost Center(s): Water Works ParkWater Operations cost center 882131
Springwells WTP.....Water Operations cost center 882141
Northeast WTPWater Operations cost center 882151
Southwest WTP.....Water Operations cost center 882161
Lake Huron WTPWater Operations cost center 882171

Expense Type(s): Contractual Professional Services (617903)

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2020 Budget	\$1,100,000.00
FY 2021 Budget	1,308,500.00
FY 2022 Budget	1,475,000.00
FY 2023 Financial Plan	1,475,000.00
FY 2024 Financial Plan	1,475,000.00
FY 2025 Financial Plan (5 months prorated)	<u>614,600.00</u>
Financial Plan Forecast	\$7,448,100.00
Proposed Contract Amount	<u>\$7,710,618.82</u>
Variance (positive/ (negative))	(\$262,518.82)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$262,518.82 (\$7,448,100.00 financial plan forecast less \$7,710,618.82 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 October 13, 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.