



Legislation Text

File #: 2022-014, **Version:** 1

Approval of Cost Sharing Agreement and Exhibit A-1 between the City of Detroit, Water and Sewerage Department, and GLWA

Agenda of: January 26, 2022

Item No.: **2022-014**

Amount:

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: January 7, 2022

RE: Approval of Cost Sharing Agreement and Exhibit A-1 between the City of Detroit, Water and Sewerage Department, and GLWA

MOTION

Upon recommendation and opinion of Suzanne R. Coffey, Interim Chief Executive Officer. and Randal M. Brown, General Counsel, the Board of Directors for the Great Lakes Water Authority (GLWA):

- 1) Approves the execution of the Cost Sharing Agreement between the City of Detroit, Water and Sewerage Department and GLWA; and
- 2) Approves the reimbursement of costs outlined Exhibit A-1 with a 10% allowance above the estimated costs; and
- 3) Authorizes the Interim Chief Executive Officer to take such other action as may be necessary to accomplish the intent of this vote.

JUSTIFICATION

Through regular communication between DWSD and GLWA's administrations, the parties identified opportunities to share costs associated with projects that benefit both DWSD and GLWA. In order to track these opportunities and standardize

the paperwork associated with these projects, the parties desire to enter into a Cost Sharing Agreement. With an underlying agreement in place, the parties would amend the Agreement through the completion of the Exhibit A-# template. Exhibit A will be sequentially numbered, A-1, A-2, A-3...A-10, to reflect a new project and the terms of the cost sharing between the parties.

If the underlying Agreement is approved, "Exhibit A-#" would be presented to the Board of Water Commissioners or GLWA Board of Directors, consistent with contract authorization policies of the two organizations. For example, and consistent with GLWA's Procurement Policy, GLWA would present an "Exhibit A-#" to the Board if the amount of GLWA's cost sharing reimbursement to DWSD exceeded \$1 million or the project would last more than 5 years.

Here, Exhibit A-1 meets the Board approval requirements for both organizations and therefore is being presented to the Board of Water Commissioners and GLWA's Board of Directors. Exhibit A-1 relates to design work associated with replacement and rehabilitation of the aggregate utilities along E. Jefferson, which has been a discussion point for the last few years due to the expected pavement replacement work along the full reach of E. Jefferson Avenue. The upcoming pavement work is an opportunity to renew and replace the underground utilities along East Jefferson, including regional and local water mains. The allocation of costs, per design task, is as follows:

Design Task #1: West of Water Works Park

Description: Installation of new 12-inch mains along Jefferson Ave to replace existing distribution mains

Allocation: 100% DWSD

Estimated DWSD (\$): 843,601

Estimated GLWA (\$): 0

Estimated Extended Total (\$): 843,601

Design Task #2: East of Water Works Park

Description: Replacement or rehabilitation of existing 16-inch, 12-inch, and 8-inch distribution mains from WWP to Gray Street and other select locations along Jefferson

Allocation: 100% DWSD

Estimated DWSD (\$): 287,447

Estimated GLWA: 0

Estimated Extended Total (\$): 287,447

Design Task #3: West of Water Works Park

Description: Replacement of 48-inch GLWA main from WWP to Downtown, meter vaults and pressure reducing valve vaults, retirement of one existing 42-inch GLWA main and one 42-inch DWSD main.

Allocation: 20% DWSD 80% GLWA

Estimated DWSD (\$): 426,181

Estimated GLWA (\$): 1,683,621

Estimated Extended Total (\$): 2,109,802

Design Task #4: East of Water Works Park

Description: Replacement of the existing 8-inch main along Jefferson from Dickerson Avenue to Alter with 16-inch main

Allocation: 100% DWSD

Estimated DWSD (\$): 126,750

Estimated GLWA (\$): 0

Estimated Extended Total (\$): 126,750

Design Task #5: Hydraulic Modelling

Allocation: 100% GLWA

Estimated DWSD (\$): 0

Estimated GLWA (\$): 23,875

Estimated Extended Total (\$): 23,875

Design Task #6: Geotechnical Investigation

Allocation: 53% DWSD 47% GLWA

Estimated DWSD (\$): 134,086

Estimated GLWA (\$): 121,193

Estimated Extended Total (\$): 255,279

Design Task #7: Subsurface Utility Engineering (SUE) Allowance

Allocation: 100% GLWA

Estimated DWSD (\$): 0

Estimated GLWA (\$): 185,643

Estimated Extended Total (\$): 185,643

Design Task #8: Potholing Allowance

Allocation: 100% GLWA

Estimated DWSD (\$): 0

Estimated GLWA (\$): 207,627

Estimated Extended Total (\$): 207,627

Total Estimated Project Costs

Estimated DWSD (\$): 1,818,065

Estimated GLWA (\$): 2,221,959

Estimated Extended Project Costs Total: 4,040,024

FINANCIAL PLAN IMPACT

Summary: Sufficient funds are provided in the financial plan for this project.

Funding Source: Water Construction Fund

Cost Center: Water Field Engineering

Expense Type: Construction (5519-882411.000-617950-122019)

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

Fiscal Year

FY 2022 Plan	\$ 613,000.00
FY 2023 Plan	782,000.00
FY 2024 Plan	686,000.00
FY 2025 Plan	684,000.00

FY 2026 Plan	684,000.00
FY 2027 Plan	28,000.00
Financial Plan Estimate	\$ 3,477,000.00
Proposed Contract Award	2,221,959.00
Balance reserved for services during construction	\$ 1,255,041.00
Plan amounts above as per Draft 2 of the FY 2023 - 2027 CIP Plan.	

COMMITTEE REVIEW

This matter was presented to the Operations and Resources Committee on January 12, 2022. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This request does not impact the Shared Services Agreement.