

Agenda of April 24, 2013

Item No.

Proposed Contract No. CS-1528

Amount: \$1,998,600.43

Time Duration: Two (2) Years

TO: The Honorable
Board of Water Commissioners
City of Detroit, Michigan

FROM: Sue F. McCormick, Director
Water and Sewerage Department

DATE: April 24, 2013

RE: **DWSD Proposed Contract No. CS-1528**
“Water Master Plan Update”
CDM Michigan, Inc. (Consultant)

I. Motion:

Upon recommendation of Cheryl Porter, Assistant Director of Water Supply Operations, the Board of Water Commissioners authorizes the Director to **enter into Contract No. CS-1528, “Water Master Plan Update” with CDM Michigan, Inc. (Consultant), at a cost not-to-exceed \$1,998,600.43 for a duration of two (2) years**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

II. Justification:

The Comprehensive Water Master Plan (CWMP), which was based on a year 2000 economic growth model for Southeastern Michigan is largely obsolete, although the portions not based on a regional economic growth model are still valid. The CWMP was based on a projection over a 50 year period, which was to be revisited every 10 years. In 2009, a group consisting of members from the Detroit Water and Sewerage Department (DWSD), wholesale customer communities and Southeast Michigan Council of Governments (SEMCOG) met several times over an extended period and created a report which urged DWSD to revise the CWMP to account for changing economic and demographic conditions. This update is needed to address the revised conditions and to place DWSD on a path to provide quality water at a sustainable cost.

III. Project Tasks:

The following Tasks will be performed under this contract:

Task A. Market Plan

Market Plan will identify and describe the expectations of DWSD's customers, both current and future. The Market Plan will define projected water demands and desired pressures at the DWSD supply point (meter) in five year increments through the end of the of the 20 year master plan. The Market Plan will be based on current economic conditions, current contract values, projections for water demand, and population and economic growth, in high, low and most probable scenarios. The Market Plan will address current and new customers.

Task B. Product Plan

The current CWMP has integrated the water quantity and quality issues outlined in the Water Supply and Service Management Plan, and the Safe Drinking Water Act (SDWA). The updated CWMP must integrate the water quantity and water quality considerations into all major DWSD projects. Conduct an analysis of the source of supply, and evaluate treatment plant and booster station compliance with the SDWA and all applicable regulations. Review system-wide water quality needs and make recommendations for implementation of appropriate measures, including reporting and monitoring.

Task C. Water Supply and Service Management Plan

Identify DWSD's infrastructure needs over the next 20 years for upgrading, improving, mothballing or decommissioning water treatment, water supply, storage, booster stations and transmission system facilities. Recommendations should be in five year increments.

Identify system problems and alternatives by using a hydraulic model, to be provided by DWSD, to create operational and infrastructure scenarios resulting from an analysis of the Market Plan. Using Needs Assessment (to be provided by DWSD), conduct a more thorough evaluation of the water treatment plants and booster stations in reference to the summary description of needs, as well as known and important problems. Identify and Evaluate Best Alternatives from the evaluations.

Task D. Financial Plan

Prepare a cost estimate, both O&M and Capital, by functional cost categories as defined in the rate model, which should be completed in 5-year increments and include rate projections. Use best industry practices to develop a model for assessing the financial risks of implementing the Master Plan. Also develop a financial reporting system that will alert management of major financial issues before they negatively impact DWSD and its stakeholders.

Task E. Customer Involvement

Detroit Retail Customer Involvement

- i. Develop list of Detroit retail stakeholders (key individuals and groups)
- ii. Develop process to engage Detroit retail stakeholders in Master Plan development and review

Suburban Wholesale Customer Involvement

- i. Build high performing Planning Team
- ii. Develop Master Planning Team Partnering Agreement to identify:
 - Goals
 - Rules of Collaboration
 - Detailed roles/responsibilities of team members
 - Schedule of meetings and Technical Advisory Committee (TAC) events

IV. Project Management Status:

- | | |
|--|--|
| A. Start Work Date: | To be established contingent upon Board of Water Commissioners approval. |
| B. Final Completion: | Two (2) Years following the Start Work Date. |
| C. Total Contract Cost: | \$1,998,600.43 |
| D. Projected Fiscal Year (FY) Contract Expenditures: | |
| | FY 1: \$999,400.23 |
| | FY 2: \$999,200.20 |

This recommendation was considered by the Board of Water Commissioners and action taken as noted below.

BOARD OF WATER COMMISSIONERS:

ACTION: _____

DATE: _____

BY: _____

Sue F. McCormick, Director

BACKGROUND

DWSD is currently providing water to over four million people in the City of Detroit and 125 suburban communities in southeastern Michigan. DWSD owns, operates and maintains five (5) water treatment plants, 20 booster stations, and more than 700 miles of water mains, which are 24” and larger in diameter. DWSD transmits water as far as Lake Huron and services communities as far as Flint, Imlay City, Berlin Township and Ypsilanti.

The current version of the CWMP was developed under Contract No. CS-1278 and dated June 2003. The updated CWMP will include the criteria outlined in studies completed by DWSD, and an evaluation of DWSD and customer capital improvement projects.

In addition, DWSD has completed several capital improvement projects to the water distribution system. A new pump station and reservoir has been placed at Haggerty Road and Fourteen Mile. Improvements have been made at several DWSD water treatment facilities and pumping stations throughout the region. The effects of changing customer demands over the duration of the CWMP will be incorporated into the final update. DWSD has undertaken a significant effort in the adoption of the new 30-year water service contracts (the model contract) with customer communities. Customer annual volumes million cubic feet and max day/peak hour values, both in million gallons/per day, codified in the approved contracts will be evaluated in terms of current and future demands upon the DWSD distribution system. Other items may be added during the finalization of the scope of work including evaluating operational/energy efficiencies and system wide optimization all while communicating this effort with the customers.

Procurement Method

This was an open competitive contract. The Request for Proposals (RFP) was advertised during the week of September 3, 2012, in the Detroit Legal News, Builders Exchange of Michigan, Michigan Chronicle, Construction Association of Michigan, McGraw Hill-Dodge and on the DWSD website. It was also released to Reed Construction Data, Construction News Corporation, Construction Data Company, Michigan Infrastructure and Transportation Association, Construction News Service, Michigan Minority Business Development Council and Booker T. Washington Business Association.

Two (2) bulletins were issued during the course of the RFP. Bulletin No. 1 extended the proposal submission date. Bulletin No. 2 responded to questions from planholders.

On October 31, 2012, proposals were received from four (4) firms. Each member of the Evaluation Committee independently reviewed and scored the proposals in accordance with the DWSD policy. The possible range of scores was from 0 to 8000. The proposers were ranked as follows:

<u>FIRM</u>	<u>SCORE</u>	<u>PROPOSED COST</u>	<u>EQUALIZED COST</u>
CDM Michigan	7,561	\$1,998,600.43	\$1,978,614.43
Malcolm Pirnie	7,130	\$1,989,321.00	\$1,969,427.79

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Greeley and Hansen	7,075	\$2,008,071.00	\$1,987,990.29
Resurgence Team (OHM)	6,703	\$2,342,045.91	\$2,330,335.68

The following table indicates the firm's scores in each category:

Consultant	Ability to Perform	Staff Experience	Work Plan	Cost	Total Score
Maximum Points	2,000	1,600	1,600	2,800	8,000
CDM Michigan	1,765	1,530	1,480	2,786	7,561
Malcolm Pirnie	1,680	1,410	1,240	2,800	7,130
Greeley and Hansen	1,591	1,410	1,300	2,774	7,075
Resurgence Team (OHM)	1,482	1,375	1,480	2,366	6,703

The Evaluation Committee recommended that CDM Michigan, Inc., the number one ranked proposer, be named as the consultant for negotiations on this contract. DWSD conducted negotiations on March 13, 2013, finalizing the scope of work.

CDM Michigan, a Detroit Based Business, will perform 45.36% of the work under this contract. The subconsultant participation is as follows: Tucker, Young, Jackson, Tull, Inc. 35%; Tetra Tech 9.44%; Project Innovations 6.29%; Superior Information Technologies 1.93%; W.M. Graham Consulting Engineer .9%; and Search Products and Services 1.04%.

This is a budgeted item.