

**Agenda of April 24, 2013**

**Item No.:**  
**Contract No. PC-779**  
**Proposed Amendment No. 2**  
**Price Increase: \$1,983,580.00**

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

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

**DATE:** April 24, 2013

**RE: DWSD Contract No. PC-779 Amendment No. 2,  
Specialized Process Facilities and Equipment Purchase, Installation and  
Maintenance Services at Various Water Treatment Plants, Water Booster  
Stations, Sewage Pumping Stations and Other Related Facilities Contract,  
Lakeshore Engineering Services, Inc. (Contractor)**

**I. Motion:**

Upon recommendation of Samuel A. Smalley, Assistant Director of Wastewater Operations Group and the Asset Maintenance Group, the Board of Water Commissioners authorizes the Director to **grant an increase of \$1,983,580.00 to the Contract Price, with no time extension to the Final Completion Date of August 15, 2013, for Contract No. PC-779, entitled “Specialized Process Facilities and Equipment Purchase, Installation and Maintenance Services”, being performed by Lakeshore Engineering Services, Inc., the General Contractor**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

**II. Justification:**

In an effort to support the DWSD Meter Operations in reducing the 95,000 retail accounts remained open at the conclusion of CM-2007 Contract, and to further alleviate resultant customer appointment backlog, a new task order was negotiated in April 2011 with the PC-779 Contractor to install water meters and meter interface units to allow for the automatic meter reading (AMR) and wiring other appurtenances for retail accounts, as well as vacant or abandoned properties. This task enabled the Meter Operation’s crews to reduce the appointment backlog, and to promptly respond to customer repair requests, while improving operational dependability and enhance customer service by ensuring the uninterrupted availability of the system to DWSD’s customer base

The necessity of implementing this task came about 8 months after the initial RFP for this Specialized Process and Maintenance Services Contract was awarded. However, funding this unanticipated amount for the AMR task work resulted in the accelerated depletion of PC-779 contract value, five months before its current August 2013 completion date.

Utilizing the existing Specialized Process and Maintenance Services Contract will continue to provide the most expeditious and cost effective means of supporting this necessary and time-sensitive AMR work. This process will also allow the Department to incorporate competitively negotiated unit prices based on early 2011 rates, while eliminating recurring mobilization, insurance and bonding costs.

**III. Background and Summary**

This Change Order is needed to replenish funds to the Specialized Process and Maintenance Services Contract No. PC-779 for the continued upgrade of certain elements of the water supply and transmission system in preparation of peak season, improve operational dependability and ensure the availability of the system. These upgrades are critically important to the Department's overall plan to safeguard its assets and to improve customer service as the replacement sister contract is being finalized, advertised and awarded by the completion date of the current PC-779 Contract.

**IV. Project Management Status**

A. Start Work Date	August 16, 2010
B. Original Final Completion Date	August 15, 2013
C. Revised Final Completion Date	No Change
D. Original Contract Amount	\$22,759,651.20
E. Revised Contract Amount:	\$27,174,651.20
F. Proposed Amendment No. 2	\$1,983,580.00
G. Proposed Revised Contract Amount	\$29,158,231.20

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**