



# Detroit Water and Sewerage Department

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## Legislation Details (With Text)

**File #:** 17-0184 **Version:** 1 **Name:**

**Type:** Contract **Status:** Passed

**In control:** Board of Water Commissioners

**On agenda:** 1/17/2018 **Final action:** 1/17/2018

**Title:** The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to enter into Contract No. WS-702 "Repair and Replacement of Water Main Systems: Various Pipe Sizes at Various Locations throughout the City of Detroit" with Lakeshore Global Corporation (Contractor), at a cost not to exceed \$11,889,100.00 for a duration of 540 calendar days, with an option of 540-Calendar-Day Renewal and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

**Indexes:** Finance Committee

### Code sections:

### Attachments:

| Date      | Ver. | Action By  | Action                   | Result |
|-----------|------|--|--------------------------|--------|
| 1/17/2018 | 1    | Board of Water Commissioners                         | approved                 |        |
| 1/11/2018 | 1    | Finance Committee                                    | recommended for approval |        |
| 1/11/2018 | 1    | Capital Improvement Program and Operations Committee | recommended for approval |        |

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **enter into Contract No. WS-702 "Repair and Replacement of Water Main Systems: Various Pipe Sizes at Various Locations throughout the City of Detroit" with Lakeshore Global Corporation (Contractor), at a cost not to exceed \$11,889,100.00 for a duration of 540 calendar days, with an option of 540-Calendar-Day Renewal** and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### Agenda of January 17, 2018

#### Item No. 17-0184

#### Proposed Contract No. WS-702

#### Project Length: 540 Calendar Days

#### Amount: \$11,889,100.00

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

**FROM:** Gary Brown, Director  
Water and Sewerage Department

**RE:** **Proposed DWSD Contract No. WS-702, "Repair and Replacement of Water Main Systems: Various Pipe Sizes at Various Locations throughout the City of Detroit" Contractor: Lakeshore Global Corporation Designer: DWSD**

## MOTION

Upon recommendation of Palencia Mobley, P.E., Deputy Director/Chief Engineer, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **enter into Contract No. WS-702, "Repair and Replacement of Water Main Systems: Various Pipes Sizes at Various Locations throughout the City of Detroit" with Lakeshore Global Corporation ("Contractor"), at a cost not-to-exceed \$11,889,100.00 for a duration of 540 calendar days, with an option of 540-Calendar-Day Renewal** and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

## JUSTIFICATION

The Detroit Water and Sewerage Department (DWSD) has prepared this hybrid contract for the purpose of readily implementing urgent water main repair and replacement work to the Detroit water system. The normal DWSD water contracts are either solely for water main repair or water main replacement. This contract, the first of its type, is distinct in that the scope of work covers both water main repair and water main replacement. Part A of the contract is reserved for individual water main repairs and Part B is intended for emergency water main replacement, without construction drawings. Water main to be replaced under this contract will be placed in the alignment of the existing water main as applicable. During the course of this contract, short segments of water main may experience multiple breaks, but may not be appropriate and/or cannot wait to be packaged in a traditional water main replacement contract. However, replacement of such water main should not be delayed in order to maintain water service to DWSD's customers and eliminate non-revenue water loss. This contract will also reduce the inconvenience to DWSD's customers and the general public of repeated road closures and excavations to repair various water mains across the City. DWSD evaluates pipe conditions and break histories to determine the areas of the water system best suited for replacement work.

## BACKGROUND

DWSD Contract No. WS-702 is part of an ongoing distribution piping system water main repair and replacement program within the City of Detroit. This first-of-its-kind hybrid contract provides not only for the emergency repair of water mains, but also for the emergency replacement of limited lengths of water main that have failed multiple times in a short time period and for which a traditional design-bid-build project would take too long to establish reliable water service to DWSD retail customers.

## CONTRACTOR PROCUREMENT METHOD

This open competitive project was advertised Monday, October 2, 2017, on the Michigan Inter-Governmental Trade Network (MITN) website. The advertisement was also forwarded to the National Association of Minority Consulting Engineers (NAMCE), Asian Pacific American Chamber of Commerce (APACC), Michigan Hispanic Chamber of Commerce (MHCC), Michigan Black Chamber of Commerce (MBCC), Washtenaw Contractors Association Plan Room, Reed Construction, Booker T. Washington Business Association, Michigan Minority Business Development Council, Construction Association of Michigan, Construction Market Data (CMD), Dodge Data & Analytics, Construction Journal, Construction Data Company, Builders Exchange of Michigan, ISQFT, Bid Ocean, and Bid Clerk.

Three (3) Bulletins were issued during the course of the bid. Bulletin No. 1 corrected the advertisement bid due

date. Bulletin No. 2 revised Part B, General Specifications Section 11: *Contractor's Progress Schedule and Exhibit A, The Project WS-702 Part B: The Work*. Bulletin No. 3 extended the bid due date.

The Engineer's Estimate for this contract is \$10,000,000.00. Three (3) bids were received and opened on Friday, November 3, 2017 by DWSD's Contracts and Grants Division. The bids are as follows:

| <b>BIDDER</b>                | <b>BID PRICE</b> | <b>EQUALIZED PRICE</b> |
|------------------------------|------------------|------------------------|
| Lakeshore Global Corporation | \$11,889,100.00  | \$11,770,209.00        |
| Major Cement Company         | \$12,206,300.00  | \$12,084,237.00        |
| Ric-Man Construction Inc.    | \$17,677,553.00  | \$17,677,553.00        |

Equalization was applied as follows:

| <b>BIDDER</b>                | <b>EQUALIZATION<br/>CATEGORY</b> | <b>PERCENTAGE</b> |
|------------------------------|----------------------------------|-------------------|
| Lakeshore Global Corporation | Detroit Based Business           | 1%                |
| Major Cement Company         | Detroit Based Business           | 1%                |
| Ric-Man Construction Inc.    | None                             | None              |

The lowest responsive equalized bidder, Lakeshore Global Corporation, has submitted all required responsive documents. Therefore, it is recommended that Lakeshore Global Corporation be awarded DWSD Contract No. WS-702. Lakeshore Global Corporation is a Detroit-Based Business, will currently perform 100 percent of the work under this contract.

If Lakeshore Global Corporation is found non-responsible, it is recommended that the next lowest responsive equalized, responsible bidder be awarded the contract.

### **PROJECT OBJECTIVE/COSTS**

The work primarily consists of either repairing breaks and leaks in the existing water mains, or replacing the water mains. It also includes the repair and replacement of hydrants, valves, stop boxes, road gate boxes, and other appurtenances, including excavation and backfilling, snow and ice removal, salting down areas and restoration of the site.

The contract costs are as follows:

|   |                        |
|---|------------------------|
| Contract Price                                  | \$10,389,100.00        |
| Provisional Allowance for Unforeseen Conditions | \$1,500,000.00         |
| <b>Total Contract Price</b>                     | <b>\$11,889,100.00</b> |

### **PROJECT SCHEDULE/PROJECT STATUS**

A. Start Work Date: To be established contingent upon

BOWC approval

- B. Final Completion Date: 540 calendar days after the  
Start Work Date (with an option of 540-Calendar-Day  
Renewal)
- C. Bid Price: \$11,889,100.00
- D. Projected Fiscal Year (FY) Contract Expenditures:  
FY1:\$ 3,000,000.00  
FY2:\$ 8,000,000.00  
FY3:\$ 889,100.00
- E. Contract Purchase Agreement No. 6001115

Contract No. WS-702 was presented to the Finance and CIP Committee on January 11, 2018, and is a Capital Improvement Program and Operations and Maintenance (O&M) funded project.