



# Detroit Water and Sewerage Department

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## Legislation Details (With Text)

**File #:** 2023-58      **Version:** 1      **Name:**

**Type:** Contract Amendment      **Status:** Agenda Ready

**In control:** Financial Services

**On agenda:** 3/15/2023      **Final action:** 3/15/2023

**Title:** The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve Amendment 1 to DWSD Contract 6005031 with Major Contracting Group, Inc. for Project WS-736 to add \$450,000 due to a clerical error for a total amended contract amount of \$7,834,250 for a backup/secondary Emergency Water Main Repair Services contract. This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

**Indexes:** Board of Water Commissioners, Finance Committee

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
3/15/2023	1	Board of Water Commissioners	approved	Pass
3/1/2023	1	Finance Committee	recommended for approval	Pass

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve **Amendment 1 to DWSD Contract 6005031 with Major Contracting Group, Inc. for Project WS-736 to add \$450,000 due to a clerical error for a total amended contract amount of \$7,834,250 for a backup/secondary Emergency Water Main Repair Services contract.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

### Agenda of March 15, 2023

**Item No.:** 2023-58

#### Amendment 1

**Contract No. 6005031 (WS-736)**

**Contractor: Major Contracting Group, Inc. (DBB), 12222 Greenfield Road, Detroit, MI 48227**

**Current Contract Amount: \$7,384,250**

**Amendment 1 Amount: \$450,000**

**New Total Contract Amount: \$7,834,250**

**Contract Term: 1/19/23 - 7/20/26 (1,278 days / 3.5 years)**

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

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

**RE:** Amendment 1 to add funds to Contract No. 6003051 / Project No. WS-736  
Emergency Water Main Repairs (Backup Contract)

## MOTION

Upon recommendation of Marqaiha Welch, Procurement Manager, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to approve **Amendment 1 to DWSD Contract 6005031 with Major Contracting Group, Inc. for Project WS-736 to add \$450,000 due to a clerical error for a total amended contract amount of \$7,834,250 for a backup/secondary Emergency Water Main Repair Services contract.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

## BACKGROUND / JUSTIFICATION

This contract was initially approved by the BOWC on 1/18/23; however, there was an error in the Board letter resulting in the BOWC approving the contract for \$450,000 less than Major's total bid amount. The contract was approved for \$7,384,250, but the numbers were transposed and should have been \$7,834,250. DWSD is requesting the additional funds to account for all worked required under this contract.

During wintertime, the Detroit Water and Sewerage Department (DWSD) experiences a significant increase in the number of water main breaks and leaks in its distribution system, which maintenance finds difficult to repair on a timely basis. This contract's primary purpose is to provide for emergency / as-needed repair of various sized water mains during critical periods of time to supplement DWSD's efforts to repair water mains using its own forces. DWSD is the first responder for all water main breaks in the City of Detroit as agreed upon in the Shared Services Agreement between DWSD and the Great Lakes Water Authority (GLWA).

The work primarily consists of repairing water mains on an emergency as-needed basis. It also includes the emergency replacement of hydrants, valves, stop boxes, road gate boxes, and other appurtenances, including excavation and backfilling, snow and ice removal, and salting down areas.

On average, DWSD experiences approximately 1,500 water main breaks annually on a system that is, on average, 95-years old. DWSD Operations intends on repairing approximately 40% of these breaks using internal resources. In the coldest months, we see a significant increase in water repairs which will require all contractual resources in the peak months.

This contract is part of DWSD's on-going as-needed maintenance work and will be used in conjunction with WS-719 (Lakeshore Global Corporation) to increase capacity to address emergency water main breaks throughout the City of Detroit. WS-719 is limited to six repair crews and additional contractor resources are necessary in the coldest periods.

## PROCUREMENT METHOD

This procurement was competitively solicited through a Request for Bids (RFB) per Requisition 502211, which was approved on 11/4/22. The RFB was advertised on the Michigan Inter-Governmental Trade Network (MITN) BidNet website for 31 calendar days (12/01/23 - 1/13/23). MITN published this opportunity to 314 companies and 35 firms downloaded the bid package. In addition to posting on MITN, Procurement also sent email notices to approximately 90 firms.

The Engineer's estimate for this work is \$7,000,000

Two (2) bids were received:

Bidder	Total Bid Price	Equal. Applied	Equal. Credits	Equal. Bid Total
Major Contracting	\$7,834,250.00	DBB - 1%	(\$78,342.50)	\$7,755,907.50

L. D'Agostini & Sons	\$12,260,750.00	N/A	N/A	\$12,260,750.00
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As the apparent equalized low bidder, Major Contracting Group, Inc.'s bid was evaluated first. Upon review, Major's bid included all required information/documentation and was determined to be both responsive and responsible. Therefore, it is recommended that Major Contracting Group, Inc. as the lowest responsive and responsible bidder, be awarded this secondary contract for emergency water main and hydrant for a term of 3.5 years. The bid tab, responsiveness evaluation, equalization analysis, and bids were forwarded to the Operations Division for review.

Major's clearances expire 8/25/23.

## SUMMARY

- A. Contract No.: 6003051 (WS-736)
- B. Contractor: Major Contract Group, Inc.
- C. Contract Term: 1,278 days (3.5 years) - Anticipated start date of January 2023
- D. Current Contract Amount: \$7,384,250
- E. Amendment 1 Amount: \$ 450,000
- F. Proposed New Total Contract Amount: \$7,834,250
- G. Fiscal Year (FY) Breakdown:
  - FY 22-23: \$1,119,179
  - FY 23-24: \$2,238,357
  - FY 24-25: \$2,238,357
  - FY 25-26: \$1,119,179
- H. Funding Source: I&E Funds
- I. GL String: 5721-20244-487711-617900-900354-30129-0000-000000 - 100% Water

This proposed amendment was presented to the BOWC Finance Subcommittee on March 1, 2023. Per DWSD procurement protocol, Mayoral Review will also be obtained.