



Detroit Water and Sewerage Department

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Legislation Details (With Text)

File #: 2023-84 **Version:** 1 **Name:**

Type: Contract **Status:** Passed

In control: Financial Services

On agenda: 4/19/2023 **Final action:** 4/19/2023

Title: The Board of Water Commissioners for the City of Detroit Water and Sewerage Department authorizes \$3,086,942.86 for payment of outstanding invoices for the watermain replacement work along Highway M-5 Grand River Ave from Berg Road Southeasterly to Fenkell Avenue under Project WS-714. 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
4/19/2023	1	Board of Water Commissioners	approved	Pass
4/5/2023	1	Finance Committee	recommended for approval	Pass

The Board of Water Commissioners for the City of Detroit Water and Sewerage Department **authorizes \$3,086,942.86 for payment of outstanding invoices for the watermain replacement work along Highway M-5 Grand River Ave from Berg Road Southeasterly to Fenkell Avenue under Project WS-714.** This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of April 19, 2023

Item No. 2023-84

Purchase Order 3064892 for payment of final invoices for WS-714

Requesting funds in the amount of \$3,086,942.86

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

FROM: Gary A Brown, Director
Detroit Water and Sewerage Department

RE: Request for authorization to pay outstanding invoices under WS-714 for the Watermain replacement work along Highway M-5 (Grand River Ave) from Berg Road Southeasterly to Fenkell Avenue

MOTION

Upon recommendation of Gary Brown, Director, the Board of Water Commissioners for the City of Detroit, Water and Sewerage Department **authorizes \$3,086,942.86 for payment of outstanding invoices for the watermain replacement work along Highway M-5 Grand River Ave from Berg Road Southeasterly to Fenkell Avenue**

under Project WS-714. This also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND / JUSTIFICATION

On June 19, 2019, the DWSD Board of Water Commissioners (BOWC) approved a contract with Michigan Department of Transportation (MDOT) (MDOT Contract #18-5527 / DWSD Contract #6003039)that allowed MDOT to perform watermain replacement work along Highway M-5 (Grand River Avenue) from Berg Road southerly to Fenkell Avenue, together with necessary related work, to be included in MDOT's project for the hot mix asphalt milling, resurfacing and other related work on M-5, which is under MDOT's jurisdiction.

In addition to water main replacement, WS-714 included taking existing watermain out of service and removing existing 6-inch, 8-inch, 10-inch and 12-inch watermain and installing new 8-inch, 12-inch and 16-inch watermain, together with necessary related work, located within the limits of the City of Detroit, Wayne County, Michigan. The cost of replacing a water main under a roadway is substantially reduced when done in conjunction with the reconstruction of the roadway. And this was the main reason for combining DWSD's water main project with MDOT's roadway work.

The contract referred to above was approved for \$8,608,600 by the BOWC on 6/19/19, which was based on the estimated construction cost. The actual and final construction cost totaled \$8,630,828.94 (an overage of \$22,228.94). As per the original contract, MDOT was authorized to provide inspection services at project cost and to be borne by the parties in the same ratio as the actual direct construction cost. DWSD's portion of the inspection service was set at \$1,063,058.98, which was not factored into the previously approved total amount.

The project has since been completed and DWSD has received the final accounting from MDOT for our final share of \$9,693,887.92, leaving a balance of \$3,086,942.86 to be paid. Since the Oracle DWSD contract database for WS-714 approved by the Board was closed inadvertently, the authorization for the remaining \$2,001,654.94 of the approved \$8,608,600 is no longer available. Therefore, DWSD requests authorization from the Board to issue Purchase Order 3064892 in the amount of \$3,086,942.86, which equals the amount payable to MDOT. The breakdown is as follows:

• Total amount approved by the BOWC on 6/19/19:	\$8,608,600.00
• Funds spent under WS-714 in Oracle:	<u>- \$6,606,945.06</u>
• Unused prior approved funding for re-approval:	= \$2,001,654.94
• Overage amount of construction costs:	+ \$ 22,228.94
• <u>Inspection fees not included in prior approved amount:</u>	<u>+ \$1,063,058.98</u>
Total amount of invoices being requested for approval: = \$3,086,942.86*	

**\$2,001,654 of the \$3,086,942.86 being requested was initially approved by the BOWC but wasn't processed for payment prior to WS-714 being closed in Oracle.*

BUDGET IMPACT

Approximately 72% of this project is funded from State Revolving Fund loan from EGLE Drinking Water Revolving Fund (DWRF) and the balance is approved for principal forgiveness.

COMMITTEE REVIEW

This proposed contract was presented to the BOWC Finance Subcommittee on April 5, 2023. Per DWSD procurement protocol, Mayoral Review will also be obtained.