



Detroit Water and Sewerage Department

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Legislation Text

File #: 18-0214, Version: 1

The Board of Water Commissioners for the City of Detroit, Water and Sewerage Department authorizes the Director to **enter into Contract No. SCP-WS-709 "Unplanned full lead service line replacement at various locations throughout the City of Detroit" with Lakeshore Global Corporation (Contractor), at a cost not to exceed \$1,178,000.00 for a duration of Six (6) Months**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

Agenda of September 19, 2018

Item No. 18-0214

Proposed Contract No. SCP-WS-709

Project Length: Six (6) Months (tentative start date October 1, 2018)

Amount: \$1,178,000.00

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

FROM: Gary Brown, Director
Water and Sewerage Department

RE: Proposed DWSD Contract No. SCP-WS-709 "Unplanned full lead service line replacement at various locations throughout the City of Detroit"
Contractor: Lakeshore Global Corporation
Designer: DWSD

MOTION

Upon recommendation of Palencia Mobley, 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. SCP-WS-709 "Unplanned full lead service line replacement at various locations throughout the City of Detroit" with Lakeshore Global Corporation (Contractor), at a cost not to exceed \$1,178,000.00 for a duration of Six (6) Months**, and also authorizes the Director to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

In June of 2018, the Michigan Department of Environmental Quality (MDEQ) enacted new rules relating to lead services in drinking water systems. This new set of rules will require water systems to identify, inventory, and remove all lead water services, regardless of where they are located, over the next thirty years or so.

DWSD anticipated potential lead rule changes and has developed a robust lead risk mitigation program that

guides operational and capital work through Standard Operating Procedures. When MDEQ announced competitive grant funding available for removal of lead services, DWSD was well positioned to compete for those funds, and was awarded one million dollars of grant funding to remove lead services.

DWSD Contract No. SCP-WS-709 is a pilot project that parallels our ongoing water main replacement program in approach. The work consists of replacing the water service piping connecting individual properties to the existing DWSD municipal water system. To protect customer health, Lead water service piping at approximately 180 sites will be replaced with 1-inch, 1 ½-inch, or 2-inch copper services, depending on the diameter at the property.

JUSTIFICATION

To protect the health and safety of our customers, existing lead water services are being replaced with copper service lines from the existing water main all the way to the customer meter. This water service replacement contract is a first-of-its-kind pilot project, expressly for the purpose of replacing service piping at a set of locations in Detroit known to have lead pipes within water services. Moreover, the water service replacement work is being pursued independent of replacing the local distribution water main.

CONTRACTOR PROCUREMENT METHOD

This open competitive project was advertised on Monday, August 6, 2018, on the Michigan Inter-Governmental Trade Network (MITN) website. 784 Solicitations were sent out via MITN. 34 Firms downloaded the bid package. It was also released to the North America Procurement Council, Michigan Minority Contractors Association (MMCA), 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, Construct Connect, Dodge Data & Analytics, Construction Journal, Builders Exchange of Michigan and Bid Ocean.

The Engineer's estimate for this contract is \$1,000,000.00. Four (4) bids were received and opened on Monday, August 20, 2018, by DWSD's Procurement Division. The bids are as follows:

BIDDER	BID PRICE	EQUALIZED PRICE
Lakeshore Global Corporation	\$1,178,000.00	\$1,166,220.00
Major Cement Company	\$1,964,500.00	\$1,944,855.00
Homrich	\$2,130,390.00	\$2,109,086.10
Inland Waters Pollution Control	\$2,383,680.00	\$2,359,843.20

Equalization was applied as follows:

BIDDER	EQUALIZATION CATEGORY	PERCENTAGE
Major Cement Company	Detroit Based Business	1%
Lakeshore Global Corporation	Detroit Based Business	1%
Homrich	Detroit Based Business	1%
Inland Waters Pollution Control	Detroit Based Business	1%

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. SCP-WS-709. Lakeshore Global Corporation, a Detroit based business, will currently perform 100% 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

Through this contract, existing lead services will be replaced with copper tube from the water main to the customer meter. DWSD staff have assembled a collection of 180 addresses where the service line piping is known to be lead. The estimated length of lead services being replaced with copper within the public ROW is 2,340 linear feet with approximately 7,200 linear feet across private properties. Lead services of one inch and less in diameter are replaced with one-inch copper tube; existing lead services of 1 1/2-inches and 2-inches in diameter are replaced with copper tube of the same diameter. Also, half of the service taps upon the existing water main are expected to be able to be reused, but, as-needed replacement of the service gates and corporation stops is available through this contract.

The contract costs are as follows:

Contract Price	\$1,118,000.00
Provisional Allowance for Unforeseen Conditions	\$60,000.00
Total Contract Price	\$1,178,000.00

PROJECT SCHEDULE/PROJECT STATUS:

A.	Start Work Date:	To be established contingent upon BOWC approval -
		Tentatively October 1, 2018
B.		Final Completion Date: Six (6) months after the Start Work Date
C.		Bid Price: \$1,178,000.00
D.		Projected Fiscal Year (FY) Contract Expenditures:
FY1:		18-19
		\$1,178,000.00
E.		Contract Purchase Agreement No. 6001629
F.	GL String No.	5731-20301-48700-617900-900269-30129-0000-00000

Contract No. SCP-WS-709 was presented to the Finance Committee on September 5, 2018, and is a project funded by the Pilot Drinking Water (PDW) Community Water Supply Grant Program, Grant Project# 1902-01 in the amount of \$1,000,000 from MDEQ which was approved by BOWC on September 19, 2018, and the remaining portion Capital Improvement Program (CIP).