




ERIE COUNTY WATER AUTHORITY

INTEROFFICE MEMORANDUM

October 10, 2022

To: Terrence D. McCracken, Secretary to the Authority

From: Michael J. Quinn, Senior Distribution Engineer 

Subject: 2022 Capital Budget Transfer (ECWA Project No. 202000315)
Contract MP-090 Sturgeon Point WTP (PN 202200014)
Contract GHD-011 Transmission Main Design (PN 202200010)
Contract NC-044 Distribution System Improvement AMTN (PN 202200054)
Service Center Property Procurement

The Engineering Department is recommending the transfer of capital budget funds in support of continuing work on the above referenced project as follows:

From: Unit 2590, Engineering/Construction Distribution Mains
Item 101593 WSA-017 Waterline Replacement HATN/LNVL

To: Unit 2510, Engineering/Construction Sturgeon Point
Item 101506 MP-090 Filter Gallery Piping Design (\$950,000.00)

Unit 2595, Engineering/Construction Transmission Mains
Item 101414 GHD-011 Transmission Main Design (\$340,000.00)

Unit 2590 Engineering/Construction Distribution Mains
Item 101676 NC-044 Waterline Replacement AMTN (\$320,000.00)

Unit 3070 Facilities
Item 101334 Comprehensive Facilities Plan (\$720,000.00)

Total Amount to be transferred: \$2,330,000.00

Under Contract MP-090, the Authority is pre-procuring major equipment and material items for the filtration system improvements directly from equipment suppliers to proactively manage the risks and uncertainties in schedule, price, and cash flow associated with the supply chain disruptions.

The Authority has received bids and is in the process of entering into contracts with individual suppliers for the pre-procured equipment prior to the bid and award of the overall general construction contract. This approach will advance a portion of the payment of this equipment originally intended to be included in the 2023 budget to now be expended in 2022. These payments include the six individual shop drawing packages and the associated engineering by Arcadis to review each package.

To: Terrence D. McCracken
Secretary to the Authority

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For Contracts GHD-011 and NC-044, the amounts originally estimated to be expended in 2022 were based in part upon more traditional project sized generally undertaken by the Authority. Both GHD-011 and NC-044 are substantially larger projects requiring significantly higher engineering efforts. Based on a review of cashflows to date and anticipated for the remainder of 2022, adequate funds will not be available.

The originally budgeted funds for 2022 for the Comprehensive Facilities Plan for the new Service Center and in particular the procurement of the property was based on estimates of the property which would be needed as well as the cost per acre but did not identify the exact property. Following completion of the study and an extensive property search, the original budget was found to be insufficient for the purchase of the selected property.

Funds for these transfers are available in Contract WSA-017 which was anticipated to be constructed in 2022 but has been delayed due to scope changes and more importantly property related issues including access agreements and easement. These items are in the process of being addressed however final design will not be completed until at the earliest late 2022.

MJQ:jmf
Attachments
cc: R.Stoll
K.Prenderast
L.Kowalski
M.Wymer
L.Lester
D.Patton

ERIE COUNTY WATER AUTHORITY
AUTHORIZATION FORM
For Approval/Execution of Documents
(check which apply)

Contract: _____ **Project No.:** 2020000315
Project Description: 2022 Capital Budget Amendment (see attached)
Service Center Property Procurement.

Item Description:



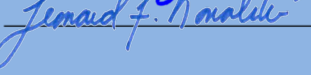

<input type="checkbox"/> Agreement	<input type="checkbox"/> Professional Service Contract	<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Change Order
<input type="checkbox"/> BCD	<input type="checkbox"/> NYSDOT Agreement	<input type="checkbox"/> Contract Documents	<input type="checkbox"/> Addendum
<input type="checkbox"/> Recommendation for Award of Contract	<input type="checkbox"/> Recommendation to Reject Bids		
<input type="checkbox"/> Request for Proposals			
<input type="checkbox"/> Other _____			

Action Requested:


<input checked="" type="checkbox"/> Board Authorization to Execute	<input type="checkbox"/> Legal Approval
<input type="checkbox"/> Board Authorization to Award	<input type="checkbox"/> Execution by the Chairman
<input type="checkbox"/> Board Authorization to Advertise for Bids	<input type="checkbox"/> Execution by the Secretary to the Authority
<input type="checkbox"/> Board Authorization to Solicit Request for Proposals	
<input type="checkbox"/> Other _____	

Approvals Needed:

APPROVED AS TO CONTENT:

<input checked="" type="checkbox"/> Sr. Distribution Engineer	<u></u>	Date: <u>10/10/2022</u>
<input checked="" type="checkbox"/> Chief Operating Officer	<u></u>	Date: <u>10/10/2022</u>
<input checked="" type="checkbox"/> Executive Engineer	<u></u>	Date: <u>10/10/2022</u>
<input type="checkbox"/> Director of Administration	_____	Date: _____
<input type="checkbox"/> Risk Manager	_____	Date: _____
<input checked="" type="checkbox"/> Chief Financial Officer	<u></u>	Date: <u>10/10/2022</u>
<input type="checkbox"/> Legal	_____	Date: _____

APPROVED FOR BOARD RESOLUTION:

<input checked="" type="checkbox"/> Secretary to the Authority	<u></u>	Date: <u>10/11/22</u>
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Remarks: _____

Resolution Date: _____ **Item No:** _____

Budget Transfer Authorization

Budget Transfer No: _____

Date: October 10, 2022

Transfer From:

Unit	Dept	Capital / O&M Item No.	Description	Amount
2590	250	101593	WSA-017 Waterline Replacement HATN/LNVL	\$2,330,000.00

Transfer To:


Unit	Dept	Capital / O&M Item No.	Description	Amount
2510	250	101506	MP-090 Filter Gallery Piping Design	\$950,000.00
2595	250	101414	GHD-011 Transmission Main Design	\$340,000.00
2590	250	101676	NC-044 Waterline Replacement AMTN	\$320,000.00
3070		101334	Service Center Property Purchase	\$720,000.00


Statement as to Necessity of Budget Transfer:

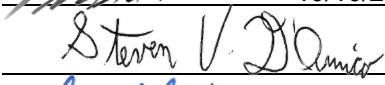
Additional funds are required for Contract MP-090 to pre-procure certain equipment with long lead times. Adequate funds are not available in the 2022 budget. For contracts GHD-011 and NC-044 additional funds are required to account for engineering efforts that exceeded the expected cashflow for these multi-year projects. For the Service Center Property item, the funds budgeted for 2022 were based on an estimate of property size and per acre costs. The actual property size, location and cost was not identified until the completion of the facility study and property search was completed.

Adequate funds for these transfers are available from Contract WSA-017 which was anticipated to be constructed in 2022 however was delayed due to changes in the scope of work and a variety of property related issues.

Required Approvals*

Unit Head:  10/10/2022 _____

Dept. Head  10/10/2022 _____

Business Office Manager: 

Executive Engineer:  10/10/2022

Comptroller:  10/10/2022

Chief Financial Officer:  10/10/2022

Chief Operating Officer:  10/10/22

Board Resolution Date: _____

* See Back of Form for "Outline of Approvals Required for Budget Transfers", Schedule A and "Approvals Require for Creation of New Budget Items", Schedule B

ERIE COUNTY WATER AUTHORITY

Schedule "A"

Outline of Approvals Required for Budget Transfers

<u>If the Budget Transfer is:</u>	<u>Necessary Approvals:</u>							
	<u>Unit Head</u>	<u>Department Head</u>	<u>Budget/Financial Analyst</u>	<u>Executive Engineer</u>	<u>Comptroller</u>	<u>Deputy Director</u>	<u>Executive Director</u>	<u>ECWA Board</u>
Transfer of up to \$75,000 (\$100,000 in Capital) Within the Same Unit	X	X	X					
Transfer of up to \$75,000 (\$100,000 in Capital) Between Units in Same Dept								
Units in Production Department	X	X	X	X				
Units in Distribution Department	X	X	X	X				
Units In Engineering Department	X	X	X	X				
Water Quality Unit	X	X	X	X				
Transfer of up to \$75,000 (\$100,000 in Capital) Between Units in Same Dept:								
Administrative Departments	X	X	X		X			
Transfer of up to \$75,000 (\$100,000 in Capital) Between Depts	X	X	X	X	X	X	X	
Excess of \$75,000 (\$100,000 in Capital)	X	X	X	X	X	X	X	X

Schedule "B"

Approvals Required for Creation of New Budget Items:

<u>If the New Budget Item is:</u>	<u>Necessary Approvals:</u>							
	<u>Unit Head</u>	<u>Department Head</u>	<u>Budget/Financial Analyst</u>	<u>Executive Engineer</u>	<u>Comptroller</u>	<u>Deputy Director</u>	<u>Executive Director</u>	<u>ECWA Board</u>
Under \$10,000	X	X	X	X	X	X	X	
\$10,000 and over	X	X	X	X	X	X	X	X