



ERIE COUNTY WATER AUTHORITY

INTEROFFICE MEMORANDUM

April 14, 2022

To: Terrence D. McCracken, Secretary to the Authority

From: Michael Wymer, Senior Production Engineer *MW*
Leonard Kowalski, Executive Engineer *LK*

Subject: Pre-Procurement of Selected Materials
Contract MP-090 Sturgeon Point Filtration System Improvements
ECWA Project No. 202200014

The Erie County Water Authority (Authority) has engaged Arcadis of New York, Inc. for the design and construction of improvements to Filters 1 through 10 at the Sturgeon Point Water Treatment Plant. The project includes the replacement of all filter piping and valves, replacement of the existing 42-inch diameter wash water supply header, new filter underdrain system, building improvements including an extension of the west end of the filter gallery and new electrical/blower building, site work including piping, interconnections, and vaults, and related civil, structural, HVAC, electrical, and instrumentation improvements.

As you are aware, supply chain disruptions have the potential to impact the timely completion of many Authority projects including the proposed filtration system improvements at Sturgeon Point. Delivery times for key equipment and supplies have increased substantially since the beginning of the year. As an example, the reported current lead time for the delivery of valves and actuators has soared to as much as 12 months and generators as high as 19 months.

In response, under Contract MP-090, the Authority asked Arcadis to examine the use of the pre-procurement of major equipment and material items as a method to proactively manage the risks and uncertainties in schedule, price, and cash flow associated with the supply chain disruptions.

Pre-procurement involves the pre-purchase of equipment directly from the equipment supplier (manufacturer or manufacturer's representative). The Authority prefers the use of the Owner Procurement – Contractor Assignment method. Under this pre-procurement approach, the Authority would receive bids and enter into contracts with individual equipment suppliers prior to the bid and award of the overall construction contract. This approach will advance the date of shop drawing approval and the release of key equipment for fabrication, effectively moving the Authority "up in line" for delivery. Once the overall construction contract is bid, the remaining responsibilities of each pre-procurement contract (i.e., equipment delivery, installation, and start-up) are assigned to the construction contractor, as part of the construction contract.

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It is the recommendation of the Engineering Department to utilize the pre-procurement approach as it provides the Authority the best opportunity to optimize the project schedule, reduce risks associated with procurement delays during construction, and maintain a cash flow more consistent with projections identified in the Authority's WIFIA funding documents.

Pre-procurement packages are proposed for the following items:

- Filter Gallery Valves and Actuators
- Rate of Flow Controllers
- Filter Underdrains
- Emergency Generator
- Air Scour Blowers
- Unit Substations
- Desiccant Dehumidifiers
- Filter Control Panels/PLCs
- Master Blower Control Panel/PLC

Draft pre-procurement packages are scheduled to be delivered to the Authority for Engineering and Legal review on April 15th. Final pre-procurement packages are anticipated to be completed for a mid-May advertisement date.

MWW:jmf

cc: D.Patton

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