



Legislation Text

File #: 2022-101, Version: 1

Contract No. 2102834
Facilities Maintenance Services
Vendor: LGC Global, Inc.

Agenda of: March 23, 2022
Item No.: **2022-101**
Amount: \$29,881,439.12

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Interim Chief Executive Officer
Great Lakes Water Authority

DATE: March 2, 2022

RE: **Contract No. 2102834**
Facilities Maintenance Services
Vendor: LGC Global, Inc.

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operating Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Interim Chief Executive Officer (ICEO) to **enter into Contract No. 2102834, “Facilities Maintenance Services” with LGC Global, Inc., at a cost not to exceed \$29,881,439.12 for a duration of three (3) years;** and authorizes the ICEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Facilities Maintenance Services contracts have been utilized to augment GLWA team members and assist the Authority with the needed staffing resources to maintain our wastewater facilities to stay in compliance with our National Pollutant Discharge Elimination System (NPDES) permit as issued by the Michigan Department of Environment, Great Lakes and Energy (EGLE), and to ensure reliable operation of GLWA wastewater (CSO and WRRF) facilities. The services provided through these contracts assist GLWA in its major maintenance responsibilities, including but not limited to the performance of corrective, preventive and predictive maintenance on incinerators, clarifiers, conveyors, screens large pumps, motors, valves, instrumentation, and related support equipment at the Water Resource Recovery Facility (WRRF), and Combined Sewer Overflow (CSO) facilities. Additionally, the services provide the skilled labor necessary to support the facility for urgent and emergency projects that require immediate attention beyond our current staffing. The GLWA continues to experience challenges in recruiting and retaining skilled trades for WRRF and CSO.

JUSTIFICATION

The existing Facilities Maintenance Services Contract No. 1901658 was awarded to Lakeshore Global Corporation on January 20, 2020, in the amount of \$10,944,780.00 for a period of 2 years. However, the funds were exhausted at higher rate than was originally estimated for three reasons:

1. To augment our team members with technical expertise to provide the services necessary for the facilities and help in complex, resource-heavy, corrective maintenance activities.
2. To fill budgeted vacancies with hard to recruit and retain skillsets to complete preventative maintenance.
3. To provide additional staff beyond our normal staffing levels during wet weather events. These additional staff provide compliance-driven services and equipment reliability services.

On April 28, 2021, GLWA requested a Change Order No. 1 to increase funds by \$6,500,000.00 to Contract No. 1901658 and again added \$6,325,000.00 via Change Order No. 2 on November 18, 2021. Change Order No. 2 also extended the completion date of Contract No. 1901658 by 181 calendar days from January 20, 2022, to July 19, 2022.

Contract No. 2102834 for the Facilities Maintenance services (replacement contract for Contract No. 1901658) is needed to support the needed resources to keep the WRRF in compliance and to ensure facility and equipment reliability. The GLWA does not have sufficient staffing necessary to perform all the crucial maintenance functions in addition to providing emergency maintenance work. Therefore, the award of Contract No. 2102834 is crucial for the Authority to augment its equipment and team members to maintain the facilities, in compliance with its NPDES permit. This contract gives GLWA the flexibility to increase or decrease the skilled trades staffing as needed based on workload

demands, system demands, and other permit-related demands that may rapidly increase or decrease the number of staffing required.

It should also be noted that GLWA is currently operating under a variance from the approved staffing count of 407. As of February 15, 2021, the GLWA wastewater team members total to 297 with 75 staff augmented individuals totaling to 372 approximately 91% of the staffing plan.

FINANCIAL PLAN IMPACT

Summary: The use of this contract as an augmentation to GLWA personnel is directly correlated to staffing levels for skilled and technical labor, contractual services, and maintenance. Staffing positions that are, or could become, vacant during this contract may be filled by utilizing this proposed contract due to staffing requirements. The proposed contract is budgeted among the processing and maintenance areas at the Water Resource Recovery Facility and Combined Sewer Overflow facilities. This proposed contract exceeds the current Financial Plan. Should the contract be used to its maximum value a budget amendment would be required, first drawing from other cost categories, and secondly from the unallocated reserve.

Funding Source: Operations & Maintenance Budget

Cost Centers: Multiple cost centers at the Water Resource Recovery Facility

(892201 - 892226)

Multiple cost centers at the Combined Sewer Overflow Facilities

(892271 - 892279)

Expense Types: Transitional Labor (616100)

Contractual Operating Services (617900)

Repairs & Maintenance - Equipment (622300)

Repairs & Maintenance - Facilities (622400)

Estimated Cost by Year and Related Estimating Variance:

<u>Fiscal Year</u>	<u>Amount</u>
FY 2022 Amended Budget (Prorated)	\$2,723,370.49
FY 2023 Budget	8,889,645.05
FY 2024 Budget	8,894,746.50

FY 2025 Financial Plan	<u>6,344,052.97</u>
Total Financial Plan Forecast	\$26,851,815.01
Proposed Contract Amount	<u>\$29,881,439.12</u>
Forecast Variance (positive/ (negative))	(\$3,029,624.11)

COMMITTEE REVIEW

This item is being presented directly to the full Board of Directors.

SHARED SERVICES IMPACT

The proposed procurement of this item may be shared by the GLWA and DWSD as outlined in the Shared Services Agreement (OPS-008).