



Financial Services Group
Procurement
735 Randolph Street, Suite 1508
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Phone: 313-964-9157

Procurement Report

Date: August 20, 2018
To: Sue McCormick, Chief Executive Officer
From: Sonya Collins, Procurement Manager
Re: Procurement Report

General Information			
Contract Number:	GLWA-CON-285	Project Owner:	Chandan Sood
Contract Title:	Wholesale Water Meter Pit Rehabilitation and Meter Replacement		
Vendor:	LGC Global, Inc.		
Budget:	Capital Project		
Contract Length:	Forty-two (42) months		

Procurement Method

Competitively bid – Request for Bid (RFB) Lowest responsive and responsible vendor			
Advertised:	June 13, 2018	Addendums released:	6
Distributed to:	58	Downloaded by:	58
Response due date:	August 15, 2018	Responses received:	4

Cost Schedule

Vendor Name	
Description	Cost
Task 1 – Meter Upgrades and Meter Pit Improvements at 50 Sites	\$8,159,000.00
Task 2 – Corrective and Emergency Maintenance	2,300,000.00
Totals	\$10,459,000.00

Provisionary Allowance is an amount included in the Contract Price to reimburse the Contractor for the cost to furnish and perform Work that is uncertain. Any remaining balance upon Final Completion shall be retained by the GLWA and not paid to the Contractor.

Benchmarking was completed by comparing the bids for this project. This analysis confirmed that rates are in a competitive range. The rate comparisons and allowances (if any) are illustrated in the attached document labeled Bid Tabulation GLWA-CON-285 and PC-793 Work Summary of Meter/Pit/Vault Replacement.

There is a significant pricing disparity gap between the lowest bidder and all other bidders. The Great Lakes Water Authority (GLWA) reviewed all bids and held a meeting with the lowest bidder (LGC Global, Inc.) to review their bid and to determine if they were responsible and to confirm that no items were omitted. LGC Global, Inc., confirmed that their bid was correct and that they had not missed any items. LGC Global, Inc., explained



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that due to their experience working on several GLWA and Detroit Water and Sewerage Department metering contracts over the past four (4) to five (5) years, they have acquired a vast amount of knowledge as to what to expect in replacing and rehabilitating water meters and meter pits. This knowledge transforms into efficiency which translates into reduced costs as they already have the experience to complete the work. In addition, LGC Global, Inc. self-performs the work and their schedule allows for a quick turnaround moving from site to site in the repair/replacement of meters and meter pits, both of which contribute to reduced costs. LGC Global, Inc., has also taken into consideration shutdowns with Water Operations and any permits that may be needed. In summary, given LGC Global, Inc.'s, work experience, positive references concerning their metering work experience, detailed schedule, and experienced staff, their bid has been found both responsive and responsible.

However, due to the large disparity between the bids, GLWA engaged PMA Consultants (CS-166) via task order to review all bids and to provide an independent third-party analysis. As the first step in this analysis, PMA independently developed a bid tabulation comparison and performed an arithmetical check of all four quotes. The results of the arithmetical check confirmed that no errors were detected in the vendor bid forms. With respect to the breakdown of eighteen (18) lump-sum bid items reflected in the bid form, LGC Global, Inc., submitted the lowest cost on six (6) of the eighteen (18) items. Furthermore, the majority of the total bid variance was driven by the following three items: 1) 1-8, installing new meters, valves piping and other accessories; 2) 1-11, rehabilitating the meter pits, including repairing the floors, waterproofing, painting, etc. and 3) 1-13, supervising and coordinating. Based on these findings, LGC Global, Inc., was subsequently requested to perform a walk-through/methodology as to how the cost was formulated for these particular lump-sum bid table line items.

In addition to the pricing evaluation, PMA reviewed the proposal schedules submitted by the vendors. PMA findings with respect to LGC Global, Inc.'s, schedule and concluded that they met the time frame stipulated in the RFB. Note: A recommendation was made that LGC Global, Inc., confirm awareness and acceptance of the scheduling requirements listed in Exhibit B.1 – Specifications Section 01000 9.3. Additionally, PMA evaluated each bidder's response with respect to the six (6) minimum qualifications listed in the RFB. The results of this evaluation illustrated that LGC Global, Inc., met or exceeded all six (6) minimum qualifications. As a final step to the analysis, PMA conducted reference checks for LGC Global, Inc.'s, past performance on similar projects. In summary, these reference checks indicated LGC Global, Inc.'s, performance rating as good, along with the general expression that LGC Global, Inc.'s past experience has provided them with the knowledge of what to expect and the benefits mined from lessons learned.

As a post script to these findings, on August 27, 2018, a meeting with the Authority, LGC Global, Inc., and PMA representatives was held. Through discussions, LGC Global, Inc.,



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confirmed their quotation and adequately addressed the variances between these bid line items and their acceptance to the project's schedule duration and constraints.

The analysis concluded that LGC Global, Inc., was the lowest responsive and responsible bidder.

Other Data Requested by GLWA Board Members

Minority Business Enterprise (MBE): Yes

Detroit Based Business (DBB): Yes

Small Business Enterprise (SBE): Yes

Sub-Contractor(s) List: N/A

Vendor Response Survey: N/A

Litigation

This vendor is not currently nor has it been previously involved in any litigation with the GLWA.

Financials

A financial risk assessment was performed by the via Dun & Bradstreet. It was determined that the selected vendor has the financial capacity to perform the tasks under this contract. This information is available for the Board of Directors to review upon request.