



Legislation Details (With Text)

File #: 2019-149 **Version:** 1 **Name:**

Type: Resolution **Status:** Passed

File created: 4/2/2019 **In control:** Board of Directors

On agenda: 4/24/2019 **Final action:** 4/24/2019

Title: Proposed Change Order No. 1
GLWA-CON-158
Specialized Services Contract

Sponsors: Cheryl Porter, Todd King

Indexes: Water Operations

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
4/24/2019	1	Board of Directors	Approved	Pass
4/11/2019	1	Operations and Resources Committee	Recommended for Approval	Pass

Proposed Change Order No. 1

GLWA-CON-158

Specialized Services Contract

Agenda of: April 24, 2019

Item No.: **2019-149**

Amount:	Original Contract	\$10,092,799.90
	Proposed Change Order No. 1	5,046,399.95
	Total Revised Contract	\$15,139,199.85

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: April 3, 2019

RE: **Proposed Change Order No. 1**

**Contract No. GLWA-CON-158
Specialized Services Contract
Vendor: LGC Global, Inc.**

MOTION

Upon recommendation of Cheryl Porter, Chief Operating Officer - Water and Field Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. GLWA-CON-158 Change Order No. 1 “Specialized Services Contract” with LGC Global, Inc., at an increased amount of \$5,046,399.95 for a total cost not to exceed \$15,139,199.85 for an increased duration of one (1) year for a total contract length of three (3) years**; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Specialized Services contracts have successfully been utilized to assist the Authority with unique projects to stay in compliance with state and federal regulations. They also provide the necessary support for urgent and emergency tasks that require immediate attention. Specifically, GLWA’s major maintenance responsibilities include the performance of corrective (i.e. immediate/urgent/emergency) and preventive (i.e. regularly scheduled intervals) on huge pumping units, motors, valves, and related support equipment at the Water Treatment Plants (WTP), Water Booster Stations (WBS), Pressure Regulating Valves (PRVs), Remote Sites, Sewer Lift Stations, and outfalls. The current contract, GLWA-CON-158, was advertised with the intent to award a two-year contract with subsequent annual renewal options for a period not to exceed three years. However, the renewal option language was inadvertently dropped from the associated contract language. This Change Order No. 1 seeks to amend the contract for a period of one year.

JUSTIFICATION

The CON-158 Specialized Services Contract is needed to accomplish a number of unique projects throughout the water treatment plants, water booster stations and wastewater collection system to keep these systems in operation. GLWA handles the base load of maintenance work. For peak loads, GLWA employees do not have sufficient equipment and staff necessary to perform all the specialized functions in addition to providing emergency maintenance work. This type of contract exists to provide the 24/7 operations with sufficient resources.

Award of CON-158 is crucial for the Authority to augment its equipment and provide specialized services to maintain the facilities, in order to comply with state and federal regulatory agencies directives assuring the health and welfare of GLWA customers in the area of water treatment, water transmission, sewage transport, collection, and discharge. This contract gives GLWA the flexibility to bring on additional specialized resources when the need arises. The original two-year contract had an upper limit of \$10,092,799.90 and this change order requests an additional one year and \$5,046,399.95 to reflect the current rate of utilization for this contract.

PROJECT MANAGEMENT STATUS

Original Contract Time	2 Years
Proposed Change Order 1	1 Year
New Contract Time	3 Years

PROJECT ESTIMATE

Original Contract Price	\$10,092,799.90
Proposed Change Order No. 1	5,046,399.95
New Contract Total	\$15,139,199.85

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Lakeshore Global Corporation encompasses Operations & Maintenance expense only. The value of the contract is within the current financial plan in total. Sufficient funds will be provided in the Operations & Maintenance (O&M) financial plan for this contract related to contractual operating services, contractual professional services and repairs & maintenance.

Funding Source: Operations & Maintenance (O&M) Budget

Cost Center(s):

Systems Control Operations	Centralized Services cost center 882301
Field Service Operations	Centralized Services cost center 882431
Belle Isle Pump Station	Wastewater Operations cost center 892342
Blue Hill Pump Station	Wastewater Operations cost center 892343
Fischer Pump Station	Wastewater Operations cost center 892347
Woodmere Pump Station	Wastewater Operations cost center 892352

Expense Type(s): Contractual Operating Services (617900)

Contractual Professional Services (617903)

Repairs & Maintenance-Equipment (622300)

Estimated Cost by Year and Related Estimating Variance: See table below.

<u>Fiscal Year</u>	<u>Amount</u>
FY 2018 Budget	\$5,046,400
FY 2019 Budget	5,046,400
FY 2020 Financial Plan	<u>6,677,300</u>
Total Financial Plan Estimate	\$16,770,100
Proposed Contract Amount	<u>\$15,139,200</u>
Variance (positive/ (negative))	\$1,630,900

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$1,630,900 (\$16,770,100 financial plan estimate less \$15,139,200 proposed contract amount). Contractual services are dependent on several factors such as, delays in estimated start and end dates, environmental constraints, and other unforeseen circumstances that can cause the expenses to fluctuate from fiscal year to fiscal year.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on April 11, 2019. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.