



Legislation Details (With Text)

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On agenda: 1/10/2018 **Final action:** 1/24/2018
Title: GLWA-CON-223
Facilities Maintenance Services
Sponsors: Suzanne Coffey (WRRF)
Indexes: Wastewater Operations
Code sections:
Attachments: 1. GLWA-CS-223 Bid Tab, 2. GLWA-CON-223 Approval Checklist Form

Date	Ver.	Action By	Action	Result
1/24/2018	1	Board of Directors	Approved	Pass
1/10/2018	1	Operations and Resources Committee	Recommended for Approval	Pass

GLWA-CON-223 Facilities Maintenance Services

Agenda of: January 24, 2018
Item No.: **2018-541**
Amount: \$8,962,000.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: January 8, 2018

RE: **Contract No.: GLWA-CON-223**
Facilities Maintenance Services
Vendor: LGC Global, Inc.

MOTION

Upon recommendation of Suzanne Coffey, Chief Planning Officer, Interim Chief Operating Officer -

Wastewater, 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-223, "Facilities Maintenance Services" with LGC Global, Inc., at a cost not to exceed \$8,962,000.00 for a duration of two years; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Staff augmentation contracts for a variety of skilled workers have been utilized to support maintenance at the Water Resource Recovery Facility (WRRF) for at least 20 years. The work performed by these staff members in conjunction with our own maintenance team members have assisted in successfully maintaining compliance with state and federal regulations, as well as our Administrative Consent Order (ACO) with the State of Michigan. Additionally, our ACO has a minimum staffing requirement and this contract has afforded WRRF Administration the flexibility to meet that staffing requirement during a variety of circumstances associated with fluctuations in the numbers of GLWA employees working at the WRRF.

JUSTIFICATION

The services obtained through this contract will provide the necessary support for urgent and emergency projects requiring immediate attention and in some cases provide workers who have skills and abilities beyond that of our current team members and assist in major maintenance responsibilities including but not limited to the performance of corrective, preventive and predictive maintenance on incinerators, clarifiers, centrifuges, conveyor and screws, large pumping units, motors, valves and related support equipment at the WRRF, Industrial Waste Control facility, Analytical Laboratory and Combined Sewer Overflow CSO facilities.

Procurement Method: Competitively bid - Request for Bid (RFB).

Advertised:	October 30, 2017
	On Michigan Inter-governmental Trade Network (MITN) website.
Distributed to:	2,462 vendor(s).
Downloaded by:	64 vendor(s).
Addendums released:	2
Response due date:	November 21, 2017
Responses received:	4 vendor(s) submitted bid(s).

Evaluation Method: Request for Bid (RFB) - Lowest cost, responsive and responsible

Bidder.

<u>Vendor (Lowest Cost to Highest)</u>	<u>Cost</u>
LGC Global, Inc.	\$8,962,000.00
DeMaria Building Company, Inc.	\$9,447,497.40
Weiss Construction Company, LLC	\$10,459,052.00
The Diamond Firm	\$10,844,456.69

The Great Lakes Water Authority staff recommends that LGC Global, Inc. be awarded this contract.

Minority Business Enterprise (MBE): Yes

Detroit Based Business (DBB): Yes

Small Business Enterprise (SBE): Yes

Sub-Contractor(s) List for LGC Global, Inc.:

None

Litigation

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

Financials

A financial risk assessment was performed by the GLWA via Dun & Bradstreet and 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.

Project Estimate

The estimate for this project is \$9,996,141.00.

BUDGET IMPACT

As noted above, the operations and maintenance of the WRRF and CSO facilities necessitate a skilled labor force. As GLWA continues to build its skilled labor resources, the use of a Contractual

Transition Services is needed to ensure efficient operations and compliance with MDEQ requirements. In addition, certain projects at these facilities require contractors with specialized skills that can be effectively coordinated through a contracting entity as needed.

The table below shows the financial plan for these ongoing services for both the existing and new contract through FY 2023.

Description	Location & Process Area	General Ledger Account	Annually through FY
Contractual Transition Services	WRRF- Chief Operating Office	5960-892001.000-616100	\$9560 102,96
Contractual Transition Services	WRRF- Wastewater Maintenance	5960-892201.000-616100	\$9010 1,725,5
Contractual Transition Services	WRRF- Wastewater Operations	5960-892221.000-616100	\$9020 297,00
Contractual Transition Services	WRRF- Wastewater Primary	5960-892223.000-616100	\$9080 698,14
Contractual Transition Services	WRRF- Wastewater Secondary	5960-892224.000-616100	\$9100 416,17
Contractual Transition Services	WRRF- Wastewater Dewatering	5960-892225.000-616100	\$9140 57,61
Contractual Transition Services	WRRF- Wastewater Incineration	5960-892226.000-616100	\$6160 273,31
Contractual Transition Services	WRRF- Wastewater Residuals	5960-892227.000-616100	\$9020 102,60
Contractual Transition Services	CSO Basins- Maintenance	5960-892270.000-616100	\$8600 539,98
Contractual Transition Services	WRRF- Wastewater Operations	5960-892221.000-617900	\$9020 2,434,76
Total			\$ 6,648.14

The forecast for these services is shown as a level value though is expected to change as WRRF Administration continues to fill these positions with full time employees. Presently WRRF Administration estimate that a minimum of 20 workers such as this will always be needed to support GLWA maintenance employees. This contract is within the forecasted financial plan for these services.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a positive estimating variance of \$1,034,141.00 (estimate amount \$9,996,141.00 less contract amount \$8,962,000.00). Sufficient data is not presently available to quantify additional savings from improved operational efficiency.

COMMITTEE REVIEW

This matter was reviewed by the Operations and Resources Committee at its meeting on January 10, 2018.

SHARED SERVICES IMPACT

The proposed procurement does have a shared services element. On occasion, staff from this contract are assigned to do maintenance projects at the Belle Isle CSO. Under the Shared Services Agreement, GLWA operates the Belle Isle CSO facility on behalf of DWSD. We estimate the cost of the services for this specific facility to be approximately \$30,000 per year and are recoverable under the provisions of the Shared Services Agreement.

