



Legislation Details (With Text)

File #: 2021-167 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 4/30/2021 **In control:** Board of Directors
On agenda: 5/26/2021 **Final action:** 5/26/2021
Title: Proposed Change Order No. 3
Contract No. GLWA-CON-158
Specialized Services Contract
Sponsors: Cheryl Porter
Indexes: Water Operations
Code sections:
Attachments:

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------------------|--------------------------|--------|
| 5/26/2021 | 1 | Board of Directors | Approved | Pass |
| 5/12/2021 | 1 | Operations and Resources Committee | Recommended for Approval | Pass |

Proposed Change Order No. 3

Contract No. GLWA-CON-158

Specialized Services Contract

Agenda of: May 26, 2021

Item No.: **2021-167**

| | | |
|---------|-----------------------------|-----------------|
| Amount: | Original Contract | \$10,092,799.90 |
| | Change Order No. 1 | 5,046,399.95 |
| | Change Order No. 2 | 5,046,299.95 |
| | Proposed Change Order No. 3 | 3,685,500.00 |
| | Total Revised Contract | \$23,870,999.80 |

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: April 4, 2021

RE: Proposed Change Order No. 3
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 Proposed Change Order No. 3 “Specialized Services Contract” with LGC Global, Inc. at an increased cost of \$3,685,500.00, for a total cost not to exceed \$23,870,999.80 and an increased duration of 167 days for a total contract duration of four (4) years and 167 days;** 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 GLWA with urgent tasks to stay in compliance with state and federal regulations that require immediate attention. Specifically, GLWA’s major maintenance responsibilities include the performance of corrective (i.e., immediate/urgent/emergency), preventive (i.e., regularly scheduled intervals) and predictive (i.e., measured equipment operational intervals) maintenance on huge pumping units, motors, valves, and related support equipment at the water treatment plants (WTP), water booster stations (WBS), pressure regulating valves (PRV), remote sites, sewer lift stations, and current combined sewer outfalls (CSO).

JUSTIFICATION

GLWA-CON-158 Specialized Services Contract is needed to accomplish a number of urgent tasks throughout the water treatment plants, water booster stations and wastewater collection system to keep these systems in compliance. GLWA does not have sufficient equipment and staff necessary to perform crucial functions over and beyond regular maintenance work. GLWA-CON-158 is crucial for GLWA to augment its equipment and provide specialized services to maintain its facilities, in order to comply with state and federal regulations regarding water treatment, water transmission, sewage transport, collection, and discharge. This contract gives GLWA the flexibility to bring on additional specialized resources when an urgent need arises.

PROJECT MANAGEMENT STATUS

| | |
|-----------------------------|----------------------|
| Original Contract Time | 2 years |
| Change Order No. 1 | 1 year |
| Change Order No. 2 | 1 year |
| Proposed Change Order No. 3 | 167 days |
| New Contract Time | 4 years and 167 days |

PROJECT ESTIMATE

| | |
|-------------------------|-----------------|
| Original Contract Price | \$10,092,799.90 |
|-------------------------|-----------------|

| | |
|-----------------------------|-----------------|
| Change Order No. 1 | 5,046,399.95 |
| Change Order No. 2 | 5,046,299.95 |
| Proposed Change Order No. 3 | 3,685,500.00 |
| New Contract Total | \$23,870,999.80 |

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Lakeshore Global Corporation encompasses Operations & Maintenance expense only. The FY 2022 budget and five-year financial plan was based on the previous contract period. 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 Forecasted Variance: See table below.

| <u>Fiscal Year</u> | <u>Amount</u> |
|-----------------------------------|------------------------|
| FY 2018 Budget | \$5,046,400.00 |
| FY 2019 Budget | 5,046,400.00 |
| FY 2020 Budget | 5,046,400.00 |
| FY 2021 Budget | 6,342,000.00 |
| FY 2022 Financial Plan (Prorated) | <u>3,140,000.00</u> |
| Financial Plan Forecast | \$24,621,200.00 |
| Proposed Contract Amount | <u>\$23,871,000.00</u> |
| Variance (positive/ (negative)) | \$750,200.00 |

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$750,200.00 (\$24,621,200.00 financial plan estimate less \$23,871,000.00 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 May 12, 2021. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item impacts the shared services agreement OPS-008 between GLWA and DWSD.