



Legislation Details (With Text)

File #: 2021-353 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 8/31/2021 **In control:** Board of Directors
On agenda: 9/22/2021 **Final action:** 9/22/2021

Title: Proposed Change Order No. 4
Contract No. GLWA-CON-158
Specialized Services Contract

Sponsors: Cheryl Porter, Todd King

Indexes: Water Operations

Code sections:

Attachments: 1. Memorandum - 20210916 - Response to Board regarding GLWA-CON-158 CO No 4

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------------------|--------------------------|--------|
| 9/22/2021 | 1 | Board of Directors | Approved | Pass |
| 9/8/2021 | 1 | Operations and Resources Committee | Recommended for Approval | Pass |

Proposed Change Order No. 4

Contract No. GLWA-CON-158

Specialized Services Contract

Agenda of: September 22, 2021

Item No.: **2021-353**

| | | |
|---------|-----------------------------|-----------------|
| Amount: | Original Contract | \$10,092,799.90 |
| | Change Order No. 1 | 5,046,399.95 |
| | Change Order No. 2 | 5,046,299.95 |
| | Change Order No. 3 | 3,685,500.00 |
| | Proposed Change Order No. 4 | 1,956,805.00 |
| | Total Revised Contract | \$25,827,804.80 |

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: September 1, 2021

RE: Proposed Change Order No. 4
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 Interim Chief Executive Officer (ICEO) **to enter into Contract No. GLWA-CON-158 Proposed Change Order No. 4 “Specialized Services Contract” with LGC Global, Inc., at an increased cost of \$1,956,805.00 for a total cost not to exceed \$25,827,804.80 and an increased duration of 198 days for a total contract duration of five (5) years**, and authorizes the Interim 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. The replacement contract for this work, RFB 2004889, has been advertised and bids were due on August 30, 2021. This proposed change order will provide for additional funds and time to address urgent repairs and improvements necessary at the Conner, Freud, and Bluehill sanitary/storm pump stations and provide for enhanced storm watch staffing to enhance overall system reliability until these pump stations are improved under the Capital Improvement Projects currently under design.

PROJECT MANAGEMENT STATUS

| | |
|--|----------|
| Original Contract Time | 2 years |
| Change Order No. 1 (First Renewal Option) | 1 year |
| Change Order No. 2 (Second Renewal Option) | 1 year |
| Change Order No. 3 | 167 days |

| | |
|-----------------------------|----------|
| Proposed Change Order No. 4 | 198 days |
| New Contract Time | 5 years |

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 |
| Change Order No. 3 | 3,685,500.00 |
| Proposed Change Order No. 4 | 1,956,805.00 |
| New Contract Total | \$ 25,827,804.80 |

FINANCIAL PLAN IMPACT

Summary: The proposed change order with Lakeshore Global Corporation encompasses Operations & Maintenance (O&M) and Improvement & Extension (I&E) expenses. The FY 2022 budget and five-year financial plan was based on the previous contract period. The value of the O&M portion of the contract is within the current financial plan in total, however the I&E portion exceeds the current financial plan in total. Potential positive variances of other contractual services as well as the use of this service may vary by year. The financial plan will be adjusted accordingly during the FY 2023 budget preparation to accommodate the proposed I&E change order amount. 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: Improvement & Extension (I&E) Budget
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
Conner Pump Station.....Wastewater Operations cost center 892345
Fischer Pump Station.....Wastewater Operations cost center 892347
Freud Pump Station.....Wastewater Operations cost center 892349
Woodmere Pump Station....Wastewater Operations cost center 892352

Expense Type(s): Contractual Operating Services (617900)
Contractual Professional Services (617903)

Repairs & Maintenance-Equipment (622300)
Capital Outlay Over \$5k(I&E-Capitalized) (901100)

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

| <u>Fiscal Year</u> | <u>O&M Budget</u> | <u>I&E Budget</u> | <u>Total</u> |
|--------------------------------|------------------------------|------------------------------|---------------------|
| FY 2018 Budget | \$5,046,400.00 | \$0.00 | \$5,046,400.00 |
| FY 2019 Budget | 5,046,400.00 | 0.00 | 5,046,400.00 |
| FY 2020 Budget | 5,046,400.00 | 0.00 | 5,046,400.00 |
| FY 2021 Budget | 6,342,000.00 | 0.00 | 6,342,000.00 |
| FY 2022 Budget | <u>6,280,000.00</u> | <u>0.00</u> | <u>6,280,000.00</u> |
| Financial Plan Forecast | \$27,761,200.00 | \$0.00 | \$27,761,200.00 |
| Proposed Contract Amount | \$25,089,373.00 | \$738,432.00 | \$25,827,805.00 |
| Variance (positive/(negative)) | \$2,671,827.00 | (\$738,432.00) | \$1,933,395.00 |

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$1,933,395.00 (\$27,761,200.00 financial plan forecast less \$25,827,805.00 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 September 8, 2021. The Operations and Resources Committee unanimously recommended the GLWA Board adopt the resolution as presented, subject to receiving a report from staff regarding original contract term and staffing prior to June 25, 2021 and current staffing.

SHARED SERVICES IMPACT

This item impacts the Shared Services Agreement OPS-008 between GLWA and DWSD.