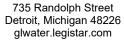
Great Lakes Water Authority





Legislation Text

File #: 2018-541, Version: 1

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

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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.

Vendor (Lowest Cost to Highest)CostLGC Global, Inc.\$8,962,000.00DeMaria Building Company, Inc.\$9,447,497.40Weiss 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.

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Description	Location & Process Are	a General	Ledger Accou	ntAnnually	through FY
Contractual Transition Se	MMRRE- Chief Operating Off	<u> </u>	1.000-616100	- \$ D9560	102,96
Contractual Transition Se	MMRRE- Wastewater Mainte	5960 689220	1.000-616100	-\$D9010	1,725,5
Contractual Transition Se	MRRF- Wastewater Operat	Б960- 89222	1.000-616100	-\$D9020	297,00
Contractual Transition Se	MMRRF- Wastewater Primar	<u> </u>	3.000-616100	- \$ D9080	698,14
Contractual Transition Se	MMRRF- Wastewater Second	15960-89222	4.000-616100	\$ D9100	416,17
Contractual Transition Se	MMRRF- Wastewater Dewat	596€0-89222	5.000-616100	\$ D9140	57,61
Contractual Transition Se	tWRR€- Wastewater Incine	5 ₱60-89222	6.000-616100	- \$ D6160	273,31
Contractual Transition Se	M/RRF- Wastewater Residu	∄9 60-89222	7.000-616100	- \$ D9020	102,60
Contractual Transition Se	(ViCeBasins- Maintenance	5960-89227	0.000-616100	- \$ D8600	539,98
Contractual Transition Se	tMRR€- Wastewater Operat	F960-89222	1.000-617900	\$ D9020	2,434,70
Total				Ś	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.