



Legislation Text

File #: 2019-303, Version: 1

Contract No. 1901658
Facilities Maintenance Services
CIP# / BCE Score: N/A

Agenda of: August 28, 2019
Item No.: **2019-303**
Amount: \$10,944,780

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: August 7, 2019

RE: Contract No. 1901658
Facilities Maintenance Services
Vendor: LGC Global, Inc.

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer - Wastewater Operating Services, The Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 1901658, "Facilities Maintenance Services" with LGC Global, Inc., at a cost not to exceed \$10,944,780 for a duration of 2 years;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

The Facilities Maintenance contract has successfully been utilized to augment GLWA staff and assist with maintaining compliance with state and federal regulations. The services utilized under this contract are to assist GLWA with unique projects while providing the necessary support for urgent and emergency tasks that require immediate attention. GLWA utilizes the contracted services for maintenance responsibilities including corrective (i.e. immediate/urgent/emergency) and preventive (i.e. regularly scheduled intervals) maintenance on incinerators, clarifiers, conveyors and screws, screens, pumping units, motors, valves and related support equipment at the Water Resource

Recovery Facility (WRRF), and current Combined Sewer Outfall (CSO) basins.

JUSTIFICATION

The Facilities Maintenance contract is needed to accomplish the necessary preventative, predictive and corrective maintenance activities at the WRRF and the CSO facilities to keep these systems in operation. These services aid in handling the maintenance work in areas where we have not yet achieved full staffing. Also, these services assist in managing the peak loads, where we do not have sufficient equipment and staff necessary to perform the specialized functions in addition to providing emergency maintenance work. This type of contract exists to provide our 24/7 operations with sufficient resources.

Award of the Facilities Maintenance contract is crucial for GLWA to augment its equipment and provide specialized services to maintain the facilities in order to comply with state and federal regulatory agencies' directives, thereby assuring the health and welfare of GLWA customers in the area and downstream of the WRRF and CSO facilities. This contract gives GLWA the flexibility to bring on additional specialized resources when the need arises.

The existing Facilities Maintenance contract CON-223 was awarded to Lakeshore Global Corporation on March 5, 2018 in the amount of \$8,962,000 for a period of 2 years. However, we have utilized the contract at a much higher rate than was originally estimated in order to augment our staff by filling vacancies necessary to maintain 100% compliance with our Administrative Consent Order (ACO) staffing requirements. Therefore, we added \$7,200,000 to CON-223 via Change Order No.1 on January 23, 2019, and that amount also will be exhausted in early January 2020.

FINANCIAL PLAN IMPACT

The operations of the Water Resource Recovery Facility (WRRF) and Combined Sewer Overflow (CSO) basins necessitate a skilled labor force. As GLWA continues to build its skilled labor resources the use of a Contractual Transition Services will be needed in order to ensure efficient operations and compliance with Environment, Great Lakes and Energy (EGLE) requirements. In addition, certain projects at these facilities require contractors with specialized skills that can be effectively coordinated through a contracting entity as needed. A positive variance for these services is forecast in the current financial plan. It is anticipated that this variance will be utilized through other activities in wastewater operations.

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

Cost Centers: Wastewater Director (Sewage Disposal cost center 892201)

Wastewater Operations (Sewage Disposal cost center 892221)

Wastewater Process Control (Sewage Disposal cost center 892222)

Wastewater Primary Processing (Sewage Disposal cost center 892223)

Wastewater Secondary Processing (Sewage Disposal cost center 892224)

Wastewater Dewatering Processing (Sewage Disposal cost center 892225)

Wastewater Incineration (Sewage Disposal cost center 892226)

Wastewater Central Offloading (Sewage Disposal cost center 892227)

Combined Sewer Overflow basin (Sewage Disposal cost center 892270)

Expense Type: Contractual Transition Services (616100)

Contractual Operating Services (617900)

Estimated Cost by Year and Related Estimating Variance: See Contract No. 1901658 - Facilities Maintenance Services Financial Plan table attached.

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

Sufficient data is not presently available to quantify additional savings from improved operational efficiency.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on August 14, 2019. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented, subject to receiving a comparison summary of the existing contract to the proposed contract.

SHARED SERVICES IMPACT

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