



## Legislation Text

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File #: 2020-097, Version: 1

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**Proposed Change Order No. 2  
GLWA-CON-158 (2000121)  
Specialized Services Contract  
O&M**

Agenda of: April 22, 2020

Item No.: **2020-097**

Amount:	Original Contract	\$10,092,799.90
	Change Order No. 1	5,046,399.95
	Proposed Change Order No. 2	5,046,299.95
	Total Contract Amount	\$20,185,499.80

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

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

**DATE:** March 4, 2020

**RE: Proposed Change Order No. 2  
Contract No. GLWA-CON-158 (2000121)  
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 (2000121) Proposed Change Order No. 2 "Specialized Services Contract" with LGC Global, Inc., at an increased cost of \$5,046,299.95 for a total cost not to exceed \$20,185,499.80 and an increased duration of one (1) year for a total contract duration of four (4) years;** 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, the 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 has chosen not to maintain all the specialized equipment and staff necessary to perform crucial functions over and beyond regular maintenance work. Therefore, the extension of GLWA-CON-158 is necessary 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
Proposed Change Order No. 2	1 Year
New Contract Time	4 Years

### **PROJECT ESTIMATE**

Original Contract Price	\$10,092,799.90
Change Order No. 1	5,046,399.95
Proposed Change Order No. 2	5,046,299.95
New Contract Total	\$20,185,499.80

### **FINANCIAL PLAN IMPACT**

**Summary:** The proposed contract with Lakeshore Global Corporation encompasses Operations & Maintenance expense only. 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
FY 2019 Budget	5,046,400
FY 2020 Budget	6,677,300
FY 2021 Financial Plan	<u>6,342,000</u>
Financial Plan Forecast	\$23,112,100
Proposed Contract Amount	<u>\$20,185,500</u>
Variance (positive/ (negative))	\$2,926,600

### **SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT**

The award of this contract provides a variance of \$2,926,600 (\$23,112,100 financial plan estimate less \$20,185,500 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 April 8, 2020 meeting. The Operations and Resources Committee unanimously recommended that the CEO take appropriate action to implement the resolution consistent with the provisions of GLWA Board Resolution 2020-114.

### **SHARED SERVICES IMPACT**

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