

# GLOBAL POWER EQUIPMENT GROUP INC.

## **FORM 8-K** (Current report filing)

Filed 10/27/17 for the Period Ending 10/27/17

Address	400 E. LAS COLINAS BLVD. SUITE 400 IRVING, TX, 75039
Telephone	214-574-2700
CIK	0001136294
Symbol	GLPW
SIC Code	3443 - Fabricated Plate Work (Boiler Shops)
Industry	Heavy Electrical Equipment
Sector	Industrials
Fiscal Year	12/31

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): **October 27, 2017**

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**Global Power Equipment Group Inc.**

(Exact Name of Registrant as Specified in its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation)

**001-16501**  
(Commission  
File Number)

**73-1541378**  
(IRS Employer  
Identification Number)

**400 E. Las Colinas Boulevard, Suite 400**  
**Irving, Texas 75039**  
(Address of Principal Executive Offices, Zip Code)

Registrant's telephone number, including area code: **214-574-2700**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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**Item 8.01 Other Events.**

On October 27, 2017, Global Power Equipment Group Inc. (the “*Company*”) issued a press release announcing that its wholly-owned subsidiary, Williams Industrial Services Group, LLC, through its subsidiary Williams Plant Services, LLC (“*Williams*”), formed a joint venture with Bechtel Power Corporation (“*Bechtel*”) to establish Richmond County Constructors, LLC (“*RCC*”). Williams owns a 25% interest in the profits and losses of RCC.

The Company also announced that effective October 23, 2017, RCC was awarded a contract (the “*Construction Subcontract*”) to serve as construction subcontractor to Bechtel, the prime construction contractor for the Plant Vogtle Units 3 and 4 nuclear expansion project in Georgia. RCC will employ construction craft labor for the project. The Company estimates that the Construction Subcontract will generate revenue for RCC of approximately \$2 billion over the Construction Subcontract’s expected four-year term.

The payment structure under the Construction Subcontract provides for cost reimbursement on craft labor, a base fee and at-risk fees which are subject to adjustment based on RCC’s performance against cost and schedule targets. Williams and Bechtel will both provide supervision for the construction craft labor, and may provide other support services under contract to RCC. Williams has also contracted with RCC to provide payroll services.

The margins earned on the base fee payable under the Construction Subcontract are at a discount to the allowed margins for the prime contractor and are lower than typical margins earned by Williams. The at-risk fee payable to RCC may become payable based on meeting certain cost and time-schedule targets, but will only be payable at the end of the term of the Construction Subcontract. Revenue from the support services will be paid as earned and is expected to result in margins typically earned by Williams.

The Construction Subcontract may be terminated by Bechtel at any time for convenience, provided that Bechtel will be required to pay amounts related to work performed prior to the termination and certain termination-related costs. In certain circumstances Bechtel also has the right to reduce Williams’ interest in the profits and losses of RCC to 15%.

A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 8.01.

**Item 9.01 Financial Statements and Exhibits.**

Exhibit Number	Description
99.1	<a href="#">Press release, dated October 27, 2017.</a>

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: October 27, 2017

Global Power Equipment Group Inc.

By: /s/ Charles E. Wheelock

Charles E. Wheelock

Vice President, Administration, General Counsel, & Secretary

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Global Power • 400 E Las Colinas Blvd., Suite 400 • Irving, TX 75039

FOR IMMEDIATE RELEASE

### **Global Power Announces Joint Venture with Bechtel**

IRVING, Texas, October 27, 2017 — Global Power Equipment Group Inc. (OTC: GLPW) (“Global Power” or the “Company”) today announced that its wholly-owned subsidiary, Williams Industrial Services Group, LLC through its subsidiary Williams Plant Services, LLC (“Williams”), has formed a joint venture with Bechtel to establish Richmond County Constructors LLC (RCC”). RCC will operate as construction subcontractor to Bechtel, who has been selected as the prime construction contractor for the Plant Vogtle Units 3 & 4 nuclear expansion project in Georgia. RCC will provide construction craft labor and supervision for the project. Williams is a 25% member in the joint venture.

Loren Monty, President of Global Power’s Services segment, commented, “This joint venture has expanded Williams’ scope of work at Vogtle 3 & 4. This also positions us to win potential additional work at Vogtle 3 & 4 outside of the joint venture. Overall, we expect that this project will improve Williams’ financial performance and strengthen our ability to pursue more opportunities in energy and industrial markets.”

Craig Holmes and Tracy Pagliara, Co-Presidents and Co-CEOs of the Company further commented, “We are excited that Williams will be participating in the significant construction projects at Vogtle 3 & 4. This will help the Company as we continue to work through operating performance and liquidity challenges in our businesses.”

#### **About Global Power**

Global Power is a design, engineering and manufacturing firm providing a broad array of equipment and services to the global energy and industrial markets. The Company reports in two operating segments. The Services segment provides lifecycle maintenance, repair, on-site specialty support, outage management, construction and fabrication services for the power generation, industrial, chemical/petrochemical processing and oil and gas industries. The Electrical Solutions segment provides custom-configured electrical houses and generator enclosures for a variety of industries.

The Company provides information at its website: [www.globalpower.com](http://www.globalpower.com).

#### **Forward-looking Statement Disclaimer**

This press release contains “forward-looking statements” within the meaning of the term set forth in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements or expectations regarding the Company’s ability to effectively execute the contract award, gain additional opportunities on the construction project, consistently provide quality service and related matters. These statements reflect our current views of future events and financial performance and are subject to a number of risks and uncertainties, including our ability to comply with the terms of our credit facility. Our actual results, performance or achievements may differ materially from those expressed or implied in the forward-looking statements. Additional risks and uncertainties that could cause or contribute to such material differences include, but are not limited to, the success of the construction of the nuclear power facilities, reduced demand for, or increased regulation of, nuclear power, loss of any of our major customers, whether pursuant to the loss of pending or future bids for either new business or an extension of existing business, termination of customer or vendor relationships, cost increases and project cost

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overruns, unforeseen schedule delays, poor performance by our subcontractors, cancellation of projects, competition for the sale of our products and services, including competitors being awarded business by our customers that had previously been provided by Global Power, shortages in, or increases in prices for, energy and materials we use to manufacture our products, damage to our reputation, warranty or product liability claims, increased exposure to environmental or other liabilities, failure to comply with various laws and regulations, failure to attract and retain highly-qualified personnel, loss of customer relationships with critical personnel, volatility of our stock price, deterioration or uncertainty of credit markets, changes in the economic, social and political conditions in the United States and other countries in which we operate, including fluctuations in foreign currency exchange rates and the banking environment or monetary policy.

Other important factors that may cause actual results to differ materially from those expressed in the forward-looking statements are discussed in our filings with the SEC, including the section of the Company's 2016 Annual Report on Form 10-K titled "Risk Factors." Any forward-looking statement speaks only as of the date of this press release. Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we caution you not to rely upon them unduly.

**Investor Relations Contact:**

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