



Legislation Text

File #: 2022-336, Version: 1

Proposed Amendment No. 3

Contract No. 1900702

Grounds Maintenance Services

O&M

Agenda of: August 24, 2022

Item No.: **2022-336**

Amount:	Original Contract Amount	\$1,679,388.00
	Amendment No. 1 (Renewal)	848,894.00
	Amendment No. 2 (Renewal)	948,894.00
	Proposed Amendment No. 3	<u>328,433.08</u>
	Total Contract	\$3,805,609.08

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Chief Executive Officer
Great Lakes Water Authority

DATE: July 29, 2022

RE: Proposed Amendment No. 3
Contract No. 1900702
Grounds Maintenance Services
Vendor: Premier Group Associates, LC

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. 1900702 Proposed Amendment No. 3 "Grounds Maintenance Services" with Premier Group Associates, LC, at an increased cost not to exceed \$328,433.08 for a total cost not to exceed \$3,805,609.08, with no increase in time for a total 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

In 2019, Grounds Maintenance Services was competitively bid and awarded to Premier Group Associates, LC (PGA). In April 2021, the first renewal term was approved as was the addition of Rialto Warehouse property. In April 2022, the second renewal term was approved as was the addition of three new Water Resource Recovery Facility (WRRF) properties. The GLWA Facilities team, which manages many of the maintenance contracts for various GLWA facilities was contacted by PGA in June 2022 requesting an increase in their contract to cover the excessive fuel and maintenance increases they have occurred during the first six months of 2022. Also, GLWA has identified two new properties that are in the process of being acquired that will also need grounds maintenance.

JUSTIFICATION

Costs for services obtained under Contract No. 1900702 are driven by manual labor, materials, and fuel all of which have had extreme increases since the contract was awarded in 2019. PGA's unit costs per site include machinery maintenance, labor, and fuel, all of which have increased substantially the first six months of 2022. Proposed Amendment No. 3 includes \$199,033.08 for the increase in unit costs. These costs were evaluated and negotiated. The balance of the contract is in its last year, the actual instances of grounds maintenance services needed to complete the contract are few and will result in a minimal financial impact to GLWA. This amendment will also include a scope change to include maintenance of additional properties being acquired by GLWA and tree trimming/removal services to address storms, safety, and security of our sites in the amount of \$129,400.00. This contract will expire in July of 2023 at which time these services will be competitively bid.

PROJECT MANAGEMENT STATUS

Original Contract Time	2 years (07/15/2019 - 07/14/2021)
Amendment No. 1	
(Renewal option 1)	1 year (07/15/2021 - 07/14/2022)
Amendment No. 2	
(Renewal option 2)	1 year (07/15/2022 - 07/14/2023)
Proposed Amendment No. 3	
(Additional Costs)	0 years (07/15/2022 - 07/14/2023)
New Contract Time	4 years (07/15/2019 - 07/14/2023)

PROJECT ESTIMATE

Original Contract Price	\$1,679,388.00
Amendment No. 1	848,894.00
Amendment No. 2	948,894.00
Proposed Amendment No. 3	<u>328,433.08</u>
New Contract Total	\$3,805,609.08

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Premier Group Associates, LC. encompasses Operations & Maintenance expense only. The FY 2023 budget and five-year financial plan was based on the analysis of prior grounds maintenance service over past fiscal years. 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 buildings & grounds maintenance.

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

Cost Center(s): Facility Operations.....Centralized Services cost center 882421

Expense Type(s): Contractual Buildings & Grounds Maintenance (617200)

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2020 Budget	\$1,100,000.00
FY 2021 Budget	900,000.00
FY 2022 Budget	900,000.00
FY 2023 Financial Plan	<u>900,000.00</u>
FY 2024 Financial Plan (Prorated)	75,000.00
Financial Plan Forecast	\$3,875,000.00
 Proposed Contract Amount	 <u>\$3,805,609.08</u>
Variance (positive/ (negative))	\$69,390.92

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on August 10, 2022. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented, subject to receiving additional information regarding cost breakdown of the increase.

SHARED SERVICES IMPACT

This item impacts the shared services agreement OPS-008 between GLWA and DWSD.