



Memorandum

To: Sue McCormick, Chief Executive Officer

From: Robert Arbaugh, CPA, Financial Planning & Analysis

CC: Nicolette Bateson, CPA, Chief Financial Officer & Treasurer
Navid Mehram, Chief Operating Officer – Wastewater Operations
Lisa Mancini, Manager – Financial Planning & Analysis

Date: March 11, 2019

RE: Proposed Contract 1803025 – Job Order Maintenance

Summary: This contract will be available for use by several GLWA operating areas: Wastewater Operations Group, Field Services, and Facility Operations. The job order contract will provide for both maintenance tasks and facilities renovations. The use of this contract will be controlled by consistent application of current requisition and approval practices. This means that individual tasks requested will be reviewed against available budget by expense category and cost center. With these controls in place this contract is within the financial plan as shown in the attached table.

Funding Source: Depending on the task, the funding may come from one of several sources. The majority of the contract will be allocated to the Operations and Maintenance (O&M) budgets for Water (5910) and Sewer (5960). Additionally, Improvement and Extension (I&E) funds under Water (5506) and Sewer (5404) may be used for small capital projects such as equipment replacements and facility renovations.

Cost Centers: Depending on the task, different operating areas will utilize this contract with costs being charged to their respective cost centers. As noted above, each area will continue to utilize the current requisition process for budget control. These groups, including Wastewater Operations, Field Services and Facility Operations, will be responsible for controlling their expenditures within their budget.

Expense Types (depending on task): As outlined in the table below, *Estimated Cost by Year and Related Estimating Variance*, tasks assigned under this contact may include repairs to equipment and facilities as well as small capital I&E projects. Examples may include:

Electrical Improvements (O&M)	Valve Replacement (O&M)
Lighting Upgrades (O&M)	Roof repairs (O&M)
Pump overhaul (O&M)	Pipe replacement (O&M)
Replacement of Roofs (I&E)	Replacement of HVAC systems (I&E)
Facility renovations (I&E)	

Estimated Cost by Year and Related Estimating Variance: As shown on this table, approximately the proposed contract will be allocated among several categories for which there are other budget expenses.



Financial Planning & Analysis Budget Impact Statement

**Great Lakes Water Authority
Job Order Maintenance Contract
Financial Plan Impact**

Table 1 - Estimated Cost by Year and Related Estimating Variance

Group	Fund	Budget Manager	Expense Code	Expense Type	Prorated FY 2019	FY 2020	FY 2021	Prorated FY 2022	Total Budget	Maximum Contract	Estimated Variance
Facility Improvement and Equipment Replacement	I&E	<i>Various</i>	901100	Capital Outlay	\$ 353,750	\$ 1,297,500	\$ 1,109,500	\$ 793,130	\$ 3,553,880	\$ 1,800,000	\$ 1,753,880
Facility Operations	O&M	<i>Paula Anderson</i>	622200	R&M Buildings	122,750	448,020	445,040	346,550	1,362,360	1,200,000	162,360
Water and Sewer Pumping Stations	O&M	<i>Todd King</i>	622300	R&M Equipment	338,750	1,100,450	1,114,600	846,560	3,400,360	3,000,000	400,360
Combined Sewer Overflow Group	O&M	<i>Chris Nastally</i>	622300	R&M Equipment	443,350	669,640	706,600	514,680	2,334,270	4,500,000	3,767,340
			622400	R&M Facility	638,630	2,593,560	2,504,840	196,040	5,933,070		
Water Resource Recovery Facility	O&M	<i>Dan Alford</i>	617900	Contract Service	608,690	2,496,330	3,724,360	3,007,140	9,836,520	13,500,000	19,533,830
			622300	R&M Equipment	1,000,950	4,788,700	5,188,590	3,408,860	14,387,100		
			622400	R&M Facility	470,000	3,009,000	3,022,820	2,308,390	8,810,210		
<i>Total Budget / Contract amounts</i>					\$ 3,976,870	\$16,403,200	\$17,816,350	\$11,421,350	\$49,617,770	\$24,000,000	\$25,617,770

O&M: Operations & Maintenance Fund

I&E: Improvement & Extension Fund

R&M: Repairs & Maintenance Expense