



Legislation Details (With Text)

File #: 2020-437 **Version:** 1 **Name:**
Type: Resolution **Status:** Passed
File created: 12/2/2020 **In control:** Board of Directors
On agenda: 12/17/2020 **Final action:** 12/17/2020
Title: Proposed Amendment No. 1
Contract No. 1904332
Commercial Janitorial Services
O&M
Sponsors: Cheryl Porter
Indexes: Water Operations
Code sections:
Attachments:

Date	Ver.	Action By	Action	Result
12/17/2020	1	Board of Directors	Approved	Pass
12/9/2020	1	Operations and Resources Committee	Recommended for Approval	Pass

Proposed Amendment No. 1
Contract No. 1904332
Commercial Janitorial Services
O&M

Agenda of: December 17, 2020

Item No.: **2020-437**

Amount:	Original Contract	\$6,996,554.34
	Proposed Amendment No. 1	2,523,534.24
	Total Revised Contract	\$9,520,088.58

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: December 2, 2020

RE: **Proposed Amendment No. 1**
Contract No. 1904332
Commercial Janitorial Services

Vendor: GDI, Inc.

MOTION

Upon recommendation of Cheryl Porter, Chief Operating Officer - Water and Field Services, the Board of Directors (Board) of the Great Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. 1904332 Proposed Amendment No. 1. "Commercial Janitorial Services" with GDI, Inc., at an increased cost of \$2,523,534.24 for a total cost not to exceed \$9,520,088.58, and no increase in duration for a total duration three (3) years with two (2) one (1) year renewal options**; and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

GLWA has multiple facilities that require commercial janitorial and housekeeping services, including but not limited to: GLWA office facilities and GLWA worksites, the five water treatment plants, treated water booster pumping stations, wastewater pumping stations, wastewater CSOs, and water resource recovery facilities. Due to the current COVID-19 pandemic, these sites will require as needed disinfection cleanings to clean worksites, equipment, and vehicles. The scope is to provide commercial CDC recommended COVID-19 disinfection cleaning services, including but not limited to all personnel, equipment, vehicles, and tools.

All GLWA facilities were disinfected in the spring 2020. We are monitoring the situation and may have to disinfect all facilities again. This amendment includes the cost of disinfecting all facilities.

The St. Aubin CSO was inadvertently omitted from the initial contract. Amendment No. 1 will also authorize monthly janitorial services for this location in accordance with the terms and conditions of the contract.

Amendment No.1 Cost Breakdown:

COVID-19 Disinfection Cleaning	\$2,500,000.00
St. Aubin CSO	23,534.24
Total	\$2,523,534.24

JUSTIFICATION

Additional disinfection cleanings of GLWA sites, vehicles and work locations will allow GLWA to ensure the work locations are disinfected after an infected person (COVID-19 Test Positive) has been at the worksite or used a GLWA vehicle or piece of equipment. The disinfection cleaning will follow the current CDC guidelines for disinfection and assist GLWA in maintaining a safe environment for our team members and operations.

PROJECT MANAGEMENT STATUS

Original Contract Time	3 years with 2 one-year renewal options
Proposed Amendment No. 1	0 years
New Contract Time	3 years with 2 one-year renewal options

PROJECT ESTIMATE

Original Contract Price	\$ 6,996,554.34
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Proposed Amendment No. 1 2,523,534.24

New Contract Total \$ 9,520,088.58

FINANCIAL PLAN IMPACT

Summary: The proposed contract with GDI, Inc. encompasses Operations & Maintenance expense only. The FY 2021 budget and five-year financial plan was based on prior usage of janitorial services over the contract periods. The value of the contract exceeds the current financial plan in total. Potential positive variances of other contractual services as well as the use of this janitorial service may vary by year therefore, sufficient funds will be provided in the Operations & Maintenance (O&M) financial plan for this contract related to contractual services. COVID-19 has brought on additional unexpected requirements for cleaning and disinfection.

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

Cost Center(s):

Water Works ParkWater Operations cost center 882131
Springwells WTP.....Water Operations cost center 882141
Northeast WTP.....Water Operations cost center 882151
Southwest WTP.....Water Operations cost center 882161
Lake Huron WTP.....Water Operations cost center 882171
Various Pump Stations.....Centralized Services cost center 882421
WRRF.....Wastewater Operations cost center 892221
Puritan/Fenkell CSO.....Wastewater Operations cost center 892271
Seven Mile CSO.....Wastewater Operations cost center 892272
Hubbell-Southfield CSO.....Wastewater Operations cost center 892273
Leib Station CSO.....Wastewater Operations cost center 892274
St. Aubin CSO.....Wastewater Operations cost center 892275
Conner Creek CSO.....Wastewater Operations cost center 892276
Baby Creek CSO.....Wastewater Operations cost center 892277
Oakwood CSO.....Wastewater Operations cost center 892278
Belle Isle CSO.....Wastewater Operations cost center 892279
Belle Isle Pump Station.....Wastewater Operations cost center 892342
Bluehill Pump Station.....Wastewater Operations cost center 892343
Fisher Pump Station.....Wastewater Operations cost center 892347
Woodmere Pump Station.....Wastewater Operations cost center 892352

Expense Types: Contractual Services (617200, 617210, 617900, & 617915)

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2021 Budget	\$1,245,300
FY 2022 Financial Plan	1,251,900
FY 2023 Financial Plan	1,262,820
FY 2024 Financial Plan	1,274,500
FY 2025 Financial Plan	1,285,500
FY 2026 Financial Plan	<u>1,297,600</u>

Financial Plan Forecast	\$7,617,620
Proposed Contract Amount	<u>\$9,520,088.58</u>
Variance (positive/ (negative))	\$(1,902,468.58)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$1,902,468 (\$7,617,600 financial plan forecast less \$9,520,088 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. Due to the unforeseen nature of COVID-19, there was no budget for the current \$1 million provisional allowance or the additional \$2.5 million dollars being requested. Due to the nature of these costs, it is anticipated we will need to use unallocated reserves to offset these costs.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on December 9, 2020. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

The proposed procurement of this item will be shared in part based on the following locations: Belle Isle Pumping Station, Belle Isle CSO, Blue Hill Station, Woodmere Station, and Fisher Pump Station, are shared in part by DWSD and GLWA. This item is budgeted by both entities as noted above.