

Legislation Text

File #: 2018-780, **Version:** 1

Contract No. 6898

Commercial Janitorial Services

Agenda of: June 20, 2018
Item No.: **2018-780**
Amount: \$1,118,678.00 1 Year
\$1,097,692.00 First Year Optional Renewal
Total: \$2,216,370.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: **June 6, 2018**

RE: **Contract No. 6898**
Commercial Janitorial Services
Vendor: GDI Omni, 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. 6898 (previously known as DWSD Contract No. 2904951) “Commercial Janitorial Services” with GDI Omni, Inc., at a cost of \$1,118,678.00 for a duration of one (1) year; optional one (1) year renewal at a cost of \$1,097,692.00;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

Contract No. 2904951 was originally initiated as a Detroit Water and Sewerage Department (DWSD) contract, approved by the DWSD Board of Water Commissioners on February 25, 2015, prior to the bifurcation of GLWA/DWSD. As part of improving the efficiency and effectiveness of the previous DWSD and now GLWA, a job function assessment was conducted on several areas within the organization, and janitorial services was one of the areas studied. The results of the study indicated that janitorial services were determined to be a non-core function within the organization and would be best served by outsourcing this function. Accordingly, a competitively bid request for proposal (RFP) was issued for

janitorial services, proposals received, and a cost comparison, savings analysis and project overview selection description were completed on December 16, 2014 (see attachment RFP# 48845 - Commercial Janitorial Services Project Overview). The two highest ranked proposers were selected for contracts to split the DWSD/GLWA facilities for janitorial services, Giant and GDI Omni, Inc. Subsequently, Giant's contract was "terminated for convenience" and GDI Omni, Inc. absorbed Giant's work load in addition to performing their original scope.

JUSTIFICATION

Included in GDI's original three (3) year contract, approved by the Detroit Board of Water Commissioners February 25, 2015, were two (2) one-year renewal options. GDI's performance overall has been successful.

Benchmarking was performed by obtaining current market pricing from the vendors who originally proposed to determine if GDI's pricing remained an advantage to GLWA. The results of that survey are as listed in the Benchmarking Price Analysis table below. In summary, of the original seven (7) proposers, four (4) responded, two (2) lowered their previous price for the one-year optional renewal, and the other two (2) held their price to the 2015 levels.

BENCHMARKING PRICE ANALYSIS

Based on 7 GLWA Sites

<u>Vendor</u>	<u>Amount Submitted</u>	<u>Original 2015 Cost Proposal 2018 Pricing</u>
GDI Omni	\$1,247,808.68	\$1,118,678.00
Du All Cleaning	\$1,731,482.00	\$1,515,747.40
Rikman Enterprises (formerly Lakeshore-Rikman JVC)	\$3,134,062.00	\$3,134,062.00
Jani-King	\$3,624,414.50	\$3,624,414.50

CONTRACT AMOUNTS PRIOR TO AND AFTER BIFURCATION

Prior to Bifurcation - 12 Sites

Water Board Building, Central Services Facility, East and West Customer Service Centers, West Yard, 5 Water Treatment Plants, Water Resource Recovery Facility, and Industrial Waste Control

Contract Amount

DWSD Contract No. 2904951

(Split Contract)

April 6, 2015 - April 5, 2018

GDI Omni (8 sites) \$2,179,820.00

Giant Janitorial (4 sites) \$3,138,000.00

DWSD Contract No. 2904951 Amendment 1

(Combined Contract)

August 29, 2015 - April 5, 2018

GDI Omni (12 sites). \$5,511,335.33

After Bifurcation - 7 GLWA Sites

5 Water Treatment Plants, Water Resource Recovery Facility, and Industrial Waste Control

GDI Omni rates submitted remained firm for the duration of the agreement. The cost for GLWA Contract No. 6898 for the period of January 1, 2016 - April 5, 2017 was for a total of \$1,366,155.00.

Cost per Year

GLWA Contract No. 6898 - 7 Sites

April 6, 2017 - April 5, 2018. \$1,128,180.00

One Year Contract - 7 Sites

April 6, 2018 - April 5, 2019. \$1,118,678.00

Renewal Option - 6 Sites*

April 6, 2019 - April 5, 2020. \$1,097,692.00

**7th site, Industrial Waste Control (Livernois Center) removed due to planned relocation to Water Resource Recovery Facility*

FINANCIAL PLAN IMPACT

Summary: The proposed procurement of janitorial services is within the FY 2018 to FY 2020 budgeted and forecasted amounts for contractual services.

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

Cost Centers:

Water Works Park	Water Cost Center 882131
Springwells Water Plant	Water Cost Center 882141
Northeast Water Plant	Water Cost Center 882151
Southwest Water Plant	Water Cost Center 882161
Lake Huron Water Plant	Water Cost Center 882171
Wastewater Operations	Sewage Disposal Cost Center 892221
Industrial Waste Control . . .	Sewage Disposal Cost Center 892231

Expense Type: Contractual Buildings & Grounds Maintenance (617200)

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

<u>Fiscal Year</u>	<u>Amount</u>
FY 2018 Budget - Prorated	\$280,630.00
FY 2019 Plan	1,118,460.00
FY 2020 Plan - Prorated to 04/05	823,590.00
Financial Plan Forecast	\$2,222,680.00
Maximum Contract	2,216,370.00
Positive Forecasted Variance	\$6,310.00

COMMITTEE REVIEW

This item is being presented directly to the full Board of Directors for consideration.

SHARED SERVICES IMPACT

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