



Legislation Text

File #: 2019-223, **Version:** 1

Contract No. 1900702

Grounds Maintenance Services

Agenda of: June 26, 2019

Item No.: **2019-223**

Amount:	Two-Year Contract	\$1,679,388.00
	First Year Renewal Option	839,694.00
	Second Year Renewal Option	839,694.00
	Total	\$3,358,776.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: June 4, 2019

RE: **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 "Grounds Maintenance" with Premier Group Associates, LC, in the amount of \$1,679,388.00 for two (2) years, with two (2) one (1) year renewal options at a cost of \$839,694.00 for each renewal year for a total contract amount of \$3,358,776.00;** and also authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

"Grounds Maintenance Services Contract" has provided weed control, litter and debris removal of planting beds and paved areas, turf maintenance, mowing, edging and trimming, annual spring clean-up, shrub/hedges trimming, fall clean-

up and overall beautification of GLWA sites. GLWA operates facilities throughout southeastern Michigan within the counties of Genesee, Lapeer, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne. Since January 1, 2016, GLWA grounds maintenance service has been accomplished by contracting the work through a grounds maintenance services contract.

JUSTIFICATION

Contract No. 1900702 "Grounds Maintenance Services" will replace Contract No. 2911106 and continue to provide services that include landscaping, weeding, shrubbery trimming, tree trimming, seeding, lawn and grounds area cleaning, and miscellaneous associated duties for GLWA locations. The contract will cover 71 GLWA sites across SE Michigan. The sites range from small plots of land to large 100-plus acre sites. Currently, there is lack of dedicated grounds staff and landscape maintenance equipment within GLWA to perform the functions of grounds maintenance services because grounds maintenance is not considered GLWA's core business.

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Premier Group Associates, LC. encompasses Operations & Maintenance expense only. The FY 2020 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	\$1,020,000
FY 2021 Financial Plan	1,040,000
FY 2022 Financial Plan	1,060,000
FY 2023 Financial Plan	<u>1,080,000</u>
Financial Plan Forecast	\$4,200,000
Proposed Contract Amount	<u>\$3,358,776</u>
Variance (positive/ (negative))	\$841,224

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$841,224 (\$4,200,000 financial plan forecast less \$3,358,776 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.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on June 12, 2019. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

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