



## Legislation Text

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File #: 2019-322, Version: 1

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### Contract No. 1901555

### Snow Removal and De-Icing Services

### O&M

Agenda of: September 25, 2019

Item No.: **2019-322**

Amount:	2-Year Contract	\$1,079,053.00
	First Year Renewal Option	539,526.50
	Second Year Renewal Option	539,526.50
	Total	\$2,158,106.00

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

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

**DATE:** August 29, 2019

**RE:** **Contract No. 1901555**  
**Snow Removal and De-Icing Services**  
**Vendor: Premier Group Associates, LLC**

### 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. 1901555 "Snow Removal and De-icing" with Premier Group Associates, LLC, at a cost not to exceed \$1,079,053.00 for a duration of two (2) years, with two (2) one (1) year renewal options at a cost of \$539,526.50 each for a total contract amount of \$2,158,106.00;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

### **BACKGROUND**

This proposed contract "Snow Removal and De-Icing Services" will provide snow removal and de-icing services to 71 GLWA facilities across southeast Michigan, within the counties of Wayne, Oakland, Macomb, Washtenaw, Monroe, St Clair, Lapeer, and Genesee. GLWA sites range from small plots of land to large 100-plus acre facilities. The scope of this contract contains provisions for snow removal and de-icing services that includes providing labor, equipment, material, and supervision necessary to facilitate this service.

### **JUSTIFICATION**

GLWA's resource structure does not provide for dedicated staff to perform the snow removal and de-icing services. The contractor shall be responsible for providing labor, equipment, material, and supervision necessary to remove snow from all roadways, driveways, parking areas, and walkways, including pedestrian and roll-up or swing doorways at all facilities for each snow and ice event. This contract will ensure that all GLWA sites are accessible and safe for 24/7 operations.

### **FINANCIAL PLAN IMPACT**

**Summary:** The proposed contract with Premier Group Associates, LLC. encompasses Operations & Maintenance expense only. The FY 2020 budget and five-year financial plan was based on the analysis of prior snow removal and de-icing 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.

<b><u>Fiscal Year</u></b>	<b><u>Amount</u></b>
FY 2020 Budget	\$600,000
FY 2021 Financial Plan	600,000
FY 2022 Financial Plan	600,000
FY 2023 Financial Plan	<u>600,000</u>
Financial Plan Forecast	\$2,400,000
 Proposed Contract Amount	 <u>\$2,158,106</u>
Variance (positive/ (negative))	\$ 241,894

### **SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT**

The award of this contract provides a variance of \$241,894 (\$2,400,000 financial plan forecast less \$2,158,106 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 September 11, 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.