



Legislation Text

File #: 2021-356, Version: 1

Proposed Amendment No. 2

Contract No. 1904332

Commercial Janitorial Services

O&M

Agenda of: September 22, 2021

Item No.: **2021-356**

Amount:	Original Contract	\$6,996,554.34
	Amendment No. 1	2,523,534.24
	Proposed Amendment No. 2	55,480.08
	Total Revised Contract	\$9,575,568.66

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Suzanne R. Coffey, P.E.
Interim Chief Executive Officer
Great Lakes Water Authority

DATE: September 1, 2021

RE: Proposed Amendment No. 2
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 Lakes Water Authority (GLWA), authorizes the Interim Chief Executive Officer (ICEO) to **enter into Contract No. 1904332 Proposed Amendment No. 2 "Commercial Janitorial Services" with GDI, Inc., at an increased cost of \$55,480.08 for a total cost not to exceed \$9,575,568.66 and no increase in duration for a total duration of three years with two 1-year renewal options;** and authorizes the Interim 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. In April 2021, GLWA acquired a new warehouse facility located at 19000 Rialto Drive in Melvindale, MI. This facility is expected to be staffed and operating by September 1, 2021.

JUSTIFICATION

The current contract for Commercial Janitorial Services with GDI (Contract No. 1904332) must be amended to include the 85,000 square foot warehouse and offices at 19000 Rialto Drive, also known as the GLWA Rialto Warehouse. Proposed Amendment No. 2 adds this facility and increases the contract amount through the current contract period to cover the following:

- Weekly cleanings of the office and restrooms (dusting, vacuuming, washing, and waxing of floors, trash removal, cleaning and supplying soap and paper products for the toilet rooms)
- Warehouse floor machine cleaning, monthly
- Power wash building and window cleaning, twice yearly

These cleaning services assist GLWA in maintaining a safe, clean environment for team members and operations.

The start work date for Contract No. 1904332 was April 6, 2020 and the final completion date is April 5, 2023. Amendment No. 1 was approved by the GLWA Board of Directors meeting held on December 17, 2020. Amendment No. 1 increased the contract amount for as-needed CDC recommended COVID-19 disinfection cleaning services. This proposed Amendment No. 2 increases the contract amount to cover commercial janitorial services for the newly acquired GLWA Rialto Warehouse facility through the current contract period. The first renewal term shall begin on April 6, 2023 and will end April 5, 2024. The second renewal term shall begin on April 6, 2024 and will end April 5, 2025.

PROJECT MANAGEMENT STATUS

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

PROJECT ESTIMATE

Original Contract Price	\$6,996,554.34
Amendment No. 1	2,523,534.24
Proposed Amendment No. 2	55,480.08

New Contract Total \$9,575,568.66

FINANCIAL PLAN IMPACT

Summary: The proposed amendment with GDI, Inc. encompasses Operations & Maintenance expense only. The FY 2022 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. The addition of the Rialto Warehouse was not known at the time the FY 2022 budget and five-year financial plan was developed. A budget amendment will be processed to move budget from either the unallocated reserves account or other accounts with a positive budget variance.

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

Cost Center(s):

Water Works Park	Water 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
Logistics and Materials.....	Centralized Services cost center 884124
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	\$1,245,400.00
FY 2022 Budget	1,251,900.00
FY 2023 Financial Plan	1,262,820.00
FY 2024 Financial Plan	1,274,500.00
FY 2025 Financial Plan	1,285,500.00
FY 2026 Financial Plan	<u>1,297,600.00</u>
Financial Plan Forecast	\$7,617,720.00
Proposed Contract Amount	<u>\$9,575,568.66</u>
Variance (positive/ (negative))	(\$1,957,848.66)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a negative variance of \$1,957,848.66 (\$7,617,720.00 financial plan forecast less \$9,575,568.66 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 in FY2021/FY2022 for the \$1,000,000.00 provisional allowance or the additional \$2,500,000.00 being requested. Due to the nature of these costs, it is anticipated we will need to use unallocated reserves to offset these costs. Rialto warehouse was not in existence at the beginning of this contract. Sufficient budget dollars to cover this portion of the contract will be allocated in the FY2023 Budget Cycle.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on September 8, 2021. 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.