



Legislation Text

File #: 2021-357, Version: 1

Proposed Amendment No. 2

Contract No. 1900702

Grounds Maintenance Services

O&M

Agenda of: September 22, 2021

Item No.: **2021-357**

Amount:	Original Contract	\$1,679,388.00
	Amendment No. 1	839,694.00
	Proposed Amendment No. 2	109,200.00
	<u>Potential</u> Amendment No. 3	848,894.00
	Total Contract:	\$3,477,176.00

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. 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 Interim Chief Executive Officer (ICEO) to **enter into Contract No. 1900702 Proposed Amendment No. 2 "Grounds Maintenance Services" with Premier Group Associates, LC, with an increased cost of \$109,200.00, with no increase in duration for a total duration of two years plus two renewal options;** and authorizes the ICEO to take such other action as may be necessary to accomplish

the intent of this vote.

BACKGROUND

In 2019, Grounds Maintenance Services was competitively bid and awarded to Premier Group Associates, LC (PGA). In April 2021, GLWA acquired a new warehouse facility located at 19000 Rialto Drive in Melvindale, MI. The GLWA Facilities team, which manages many of the maintenance contracts for various GLWA facilities, contacted PGA to develop a scope and quote for the exterior grounds maintenance of the 5-acre facility also known as the GLWA Rialto Warehouse.

JUSTIFICATION

Contract No. 1900702 does not currently include the GLWA Rialto Warehouse, whereas this Proposed Amendment No. 2 reflects a scope change to cover grounds maintenance through the term of the contract for lawn cutting, weed removal from paved surfaces, spring and fall clean ups, removal of branches and debris on a regular basis. In the future, GLWA may choose to exercise Renewal Option No. 2 contained in the contract as a future amendment to the contract. This potential renewal cost is reflected in the Project Management Status below. Ultimately, if exercising Contract Renewal Option 2 is proposed, it will be brought to the Board for approval.

PROJECT MANAGEMENT STATUS

Original Contract Time	2 years	(07/15/2019 - 07/14/2021)
Amendment No.1		
(Renewal Option No. 1)	1 year	(07/15/2021 - 07/14/2022)
Proposed Amendment No. 2	0 years	
Potential Amendment No. 3		
(Renewal Option No. 2)	1 year	(07/15/2022 - 07/14/2023)
New Contract Time	4 years	(07/15/2019 - 07/14/2023)

PROJECT ESTIMATE

Original Contract Price	\$1,679,388.00
Amendment No. 1	
(Renewal Option No. 1)	839,694.00
Proposed Amendment No. 2	109,200.00
Potential Amendment No. 3	
(Renewal Option No. 2)	<u>848,894.00</u>

New Contract Total \$3,477,176.00

Currently, GLWA is in Renewal Option No. 1 (Amendment No. 1) which did not increase the total contract value previously approved by the Board.

Proposed Amendment No. 2 increases the contract value for Renewal Option No. 1 by \$9,200.00 to take into consideration the addition of the Rialto Warehouse to the contract. In addition, \$100,000.00 is being added as an Allowance to allow for potential unforeseen conditions, which could include adding additional sites.

If GLWA chooses to exercise Renewal Option No. 2 (Potential Amendment No. 3), the contract value for Potential Amendment No. 3 will also include \$9,200.00 to take into consideration the addition of the Rialto Warehouse.

FINANCIAL PLAN IMPACT

Summary: The proposed contract with Premier Group Associates, LC. encompasses Operations & Maintenance expense only. The FY 2022 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	\$1,100,000.00
FY 2021 Budget	900,000.00
FY 2022 Budget	900,000.00
FY 2023 Financial Plan	<u>900,000.00</u>
Financial Plan Forecast	\$3,800,000.00
Proposed Contract Amount	<u>\$3,477,176.00</u>
Variance (positive/ (negative))	\$322,824.00

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

The award of this contract provides a variance of \$322,824 (\$3,800,000.00 financial plan forecast less \$3,477,176.00 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 8, 2021. 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.