

EXECUTIVE SUMMARY

Recommendation for Renewal and Additional Spending Authority 16-021T – Grounds Maintenance Services

Introduction

Responsible: Procurement & Warehousing Services (PWS)

This request is to approve the final renewal through December 31, 2020 and increase the spending authority of Invitation to Bid (ITB) 16-021T – Grounds Maintenance Services. The term of this Bid is January 1, 2016 through December 31, 2016 with four (4) one (1) year renewal options. Physical Plant Operations (PPO) Custodial/Grounds Department utilizes this Bid to provide grounds maintenance services to schools, centers, departments, and administrative sites throughout the District. Services include, but are not limited to, mowing turf, grass lawns, trimming shrubs and hedges, turf fertilization, and mulch installation. The additional spending authority being requested is \$1,510,000.

Goods/Services Description

Responsible: Physical Plant Operations (PPO)

PPO utilizes this Bid to provide grounds maintenance services to one-hundred and sixty-five (165) District sites. Currently, PPO provides funding for one-hundred thirty-eight (138) sites, and the remaining twenty-seven (27) sites utilize the bid to purchase grounds maintenance services funded by the individual school's operating budget. The bid provides fixed pricing for each school in the District, which provides certainty for PPO and individual schools when deciding to use the services.

PPO monitors the vendor's performance by field verifications along with reviewing the service sign-off forms attached to each invoice. The sign-off forms also include a supplier evaluation-rating tool to continually rate the vendors' performance and allows PPO to address any deficiencies promptly. School staff must continue to approve every service performed at their site (mowing, fertilization, hedge trimming, etc.) School evaluations have been consistently good, very good, or excellent since the start of the current contract term. Any performance deficiencies that may occur are corrected within forty-eight (48) hours.

The District has experienced annual growth in the number of school sites serviced using this Bid from the initial one-hundred and fifty-six (156) sites in 2015 to the current one-hundred and sixty-five (165) sites and expects this trend to continue.

Procurement Method

Responsible: PWS

ITB 16-021T was approved, as amended by the School Board, on October 20, 2015, for one (1) year with a bid term (January 1, 2016 through December 31, 2016) with four (4) one (1) year renewal options, and a spending authority of \$7,500,000, which was originally intended to cover expenditures for a three (3) year bid term.

The School Board since then has also approved the first one (1) year renewal option (January 1, 2017 through December 31, 2017) at its August 16, 2016, Regular School Board Meeting, at which time, the spending authority was reduced from \$7,500,000 to \$3,200,000 due to the reduction of the bid term, and historical expenditure data based on purchase orders issued to-date at that time. The second option to renew was approved on December 5, 2017, School Board Operational Meeting extending the contract term through December 31, 2018, and increasing the spending authority by \$2,435,000, bringing the new contract value to \$5,635,000. The third option to renew was approved on November 7, 2018, School Board Operational Meeting extending the contract term through December 31, 2019, and increasing the spending authority by \$2,085,000, bringing the new contract value to \$7,720,000.

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Green Horizon Services, Inc. agreed to renew the current contract award at the current awarded price(s). PPO staff has indicated that the vendor’s performance is satisfactory and recommended the extension and continuation of services with the same vendor.

Financial Impact
Responsible: PWS and PPO

The total requested additional spending authority for the renewal period is \$1,510,000, as demonstrated in the breakdown below:

| | | |
|--|---|--------------------|
| Projected spending for 2020 (including additional schools) | | \$2,125,357 |
| Spending authority needed for remaining months in contract | + | \$ 453,399 |
| <u>Spending authority needed</u> | = | <u>\$2,578,576</u> |
| Unused spend authority | - | \$1,070,157 |
| <u>Spending authority needed minus unused</u> | = | <u>\$1,508,599</u> |

Total spend authority requested (rounded) = \$1,510,000

Procurement & Warehousing Services is responsible for the management of the District contracts’ spending authority. This action is performed through the unique Bid ID issued per solicitation, which only has a new number assigned when a new solicitation is awarded. In a renewal, the original Bid ID assigned to the contract does not change, therefore spending authority analysis is performed in its totality.

Financial Impact Table:

| Action | Date | Term (years) | Amount |
|---|------------|--------------|---------------------|
| Original spending authority request | 10/20/2015 | 1 | \$ 7,500,000 |
| 1st renewal + spending authority reduction | 8/16/2016 | 1 | \$ 4,300,000 |
| 2nd renewal + additional spending authority (rounded) | 12/5/2017 | 1 | \$ 2,435,000 |
| 3rd renewal + additional spending authority (rounded) | 11/7/2018 | 1 | \$ 2,085,000 |
| 4th renewal + additional spending authority (rounded) | 11/6/2019 | 1 | \$ 1,510,000 |
| New total contract amount | | 5 | \$ 9,230,000 |

The estimated financial impact to the District will be \$1,510,000. The contract award amount was \$7,720,000. The request is to increase the spending authority by \$1,510,000, bringing the new contract value to \$9,230,000. The funding source will come from PPO, Custodial Grounds’, and the school’s operating budget. The amount requested was determined based on the Department’s requirements to satisfy the needs of the District.

The financial impact amount represents an estimated contract value; however, the amount authorized will not exceed the contract award amount.