

## MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: March 28, 2014

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Housekeeping and Janitorial Services Agreement

**FISCAL EFFECT:**

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| <input type="checkbox"/> No Direct County Fiscal Impact<br><input type="checkbox"/> Existing Staff Time Required<br><input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input checked="" type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
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*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	Expenditure or Revenue Category	Current Year*	Subsequent Year**
<b>Operating Budget</b>	Expenditure	\$114,800	\$1,124,882
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

\*Fiscal impact based on comparison between existing contract and proposed contract pro-rated for the months of May-December, 2014.

\*\*Fiscal impact calculated based on remaining initial term of contract for the months January-April 2015 (\$1,124,882).

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

A. The Director of the Department of Administrative (DAS) is requesting that the County Board approve a resolution to enter into an agreement for the provision of housekeeping and janitorial services at certain county facilities.

B. Direct costs are anticipated to be approximately \$3,374,645 per year or \$2,249,763 for the period of May-December, 2014. This is an increase of approximately \$114,800 over the budget amount of \$2,134,953 for the same time period.

C. The budgetary impact will be that DAS-Facilities Management will have a decrease of approximately \$2,100 in its housekeeping and janitorial services expenditures for the remainder of 2014. DOT-Fleet Management will have a decrease of approximately \$3,500 in its housekeeping and janitorial services expenditures for the remainder of 2014. DHHS will have an increase of approximately \$120,400 in its housekeeping and janitorial services expenditures for the remainder of 2014. DHHS will absorb this increase of cost via surpluses in other budgeted areas.

Of the total \$3,374,645 first year contact cost, approximately \$2,249,763 will be realized in 2014 (May-December) and approximately \$1,124,882 will be realized in 2015 (January-April). If mutually agreed to, the contract may be extended for two additional extension periods of 12 months each. Any contract price adjustments will be negotiated between the County and vendor based on documented Consumer Price Index (CPI) and Producer Price Index (PPI) data as published by the US Department of Labor, Bureau of Labor Statistics. In no case shall the contract price for the extension year(s) exceed 3.0% of either the CPI or PPI.

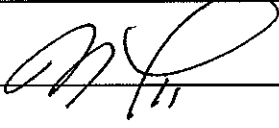
D. None.

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

Department/Prepared By: Patrick Lee, Director, DAS-Procurement

Authorized Signature(s) 

Did DAS-Fiscal Staff Review?

Yes

No

Did CBDP Review?<sup>2</sup>

Yes

No

Not Required

