

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: November 1, 2023 Original Fiscal Note
Substitute Fiscal Note

SUBJECT: From the Director, Facilities Management Division, Department of Administrative Services, Requesting Authorization to Execute a Service Contract Exceeding \$300,000 for Countywide Elevator Maintenance Services.

FISCAL EFFECT:

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| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input checked="" type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<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 (2024)	Subsequent Years (2025-2031)
Operating Budget	Expenditure	\$696,402	\$7,329,918
	Revenue	\$0	\$0
	Net Cost	\$696,402	\$7,329,918
Capital Improvement Budget	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

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. ¹ 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. Approval of this request will authorize the DAS-FMD to execute a Service Contract for Countywide Elevator Maintenance services with KONE, INC., for a base term of four years, and a total term of up to eight years.
- B. The total value of the 4-year base term of the contract will be \$3,135,174. Costs will be borne by the Departments directly receiving the services, including DAS, MCDOT, Parks and CRC. Should the County decide to extend the contract by its two additional option terms, the **total projected value of the 8-year contract is \$8,026,320.**

The costs for the contract over its base four-year term is as follows:

DEPARTMENT	2024 (YEAR-1) COST	2025 (YEAR-2) COST	2026 (YEAR-3) COST	2027 (YEAR-4) COST
DAS-FACILITIES	\$434,292	\$477,721.20	\$506,384.47	\$536,767.54
MCDOT - AIRPORT & FLEET	\$198,000	\$217,800.00	\$230,868.00	\$244,720.08
PARKS	\$9,240	\$10,164.00	\$10,773.84	\$11,420.27
CRC	\$21,708	\$23,878.80	\$25,311.53	\$26,830.22
Contract changes/allowances	\$33,162	\$36,478.20	\$38,666.89	\$40,986.91
Totals	\$696,402	\$766,042	\$812,005	\$860,725

¹ 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.

- C. Sufficient funds are available for this request. Each department has sufficient funds in their approved 2024 operating budget to cover the proposed cost of Elevator Maintenance services.

- D. To provide continuation of service, it is assumed that each department shall provide sufficient budget to cover contract costs in subsequent years.

Department/Prepared By: Stuart Carron, Director, Facilities Management Division,
Department of Administrative Services

Authorized Signature *Stuart Carron*

Did Fiscal Staff Review? Yes No
Did CBDP Review? ² Yes No Not Required

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