

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: June 17, 2013

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Housekeeping and Janitorial Services Agreement

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input checked="" type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

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**
Operating Budget	Expenditure	\$106,000	\$1,968,542
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	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 August-December, 2013.

**Fiscal impact calculated based on remaining initial term of contract for the months January-July 2014 (\$1,968,542).

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. 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 \$1,406,103 for the period of August-December, 2013. This is an increase of approximately \$106,000 over the budget amount of \$1,300,103 for the same time period.
- C. The budgetary impact will be that DAS-Facilities Management will have an increase of approximately \$18,565 in its housekeeping and janitorial services expenditures for the remainder of 2013. DAS-Facilities Management will absorb this increase of cost via surpluses in other budgeted areas. DOT will have a decrease of approximately \$1,746 in its housekeeping and janitorial services expenditures for the remainder of 2013. DHHS will have an increase of approximately \$89,181 in its housekeeping and janitorial services expenditures for the remainder of 2013. DHHS will absorb this increase of cost via surpluses in other budgeted areas.

Of the total \$3,374,645 first year contact cost, approximately \$1,406,103 will be realized in 2013 (August-December) and approximately \$1,968,542 will be realized in 2014 (January-July). 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.

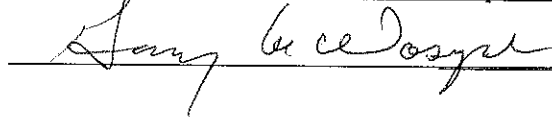
- D. None.

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.

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

Department/Prepared By: Stephanie Gulizia, Contract Administrator, Department of Administrative Services

Authorized Signature(s)



Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required