

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: October 31, 2022

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 Janitorial Services.

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 type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed Within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed Within Agency's Budget | |
| <input checked="" 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 (2023)	Subsequent Years (2024-2027)
Operating Budget	Expenditure	\$5,438,037	\$24,016,124
	Revenue	\$0	\$0
	Net Cost	\$5,438,037	\$24,016,124
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 janitorial services with UG2, LLC, for a base term of three years.
- B. The total value of the 3-year base term of the contract will be \$16,966,138. Costs will be borne by the Departments directly receiving the services, including DAS, MCDOT, Parks and Sheriff. Should County decide to extend the contract by its two additional option years, the **total projected value of the 5-year contract is \$29,454,162.**

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

DEPARTMENT	2023 (YEAR-1) COST	2024 (YEAR-2) COST	2025 (YEAR-3) COST	2026 (YEAR-4) COST	2027 (YEAR-5) COST
DAS-FACILITIES	\$1,675,370	\$1,742,385	\$1,812,080	\$1,884,563	\$1,959,946
MCDOT - AIRPORT & FLEET	\$3,070,386	\$3,193,201	\$3,320,929	\$3,453,766	\$3,591,917
PARKS	\$31,450	\$32,708	\$34,016	\$35,377	\$36,792
SHERIFF	\$660,829	\$687,263	\$714,753	\$743,343	\$773,077
Totals	\$5,438,036	\$5,655,558	\$5,881,780	\$6,117,051	\$6,361,733

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 2023 operating budget to cover the proposed cost of janitorial 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?	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	
Did CBDP Review? ²	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	<input type="checkbox"/> Not Required

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