

**DECISION SUPPORT DOCUMENT**  
**File #25-1083D**  
**VSC Fire & Security (Contract #23-0476-ITB, Third Amendment)**

**Situation/Purpose.** Gain executive leadership decision to support and approve Course of Action #1 (COA) to amend and increase the current contract ceiling for the VSC fire and security readiness systems services on an as-needed basis. This is NOT a request for added budget. Due to an abundance of emergency workorders and compliance corrections discovered at inspections the last 18 months, multiple departments required unpredictable usage levels of this contract, exceeding its originally intended contract capacity/not to exceed (NTE) limit/ceiling.

1. The contract routinely provides for scheduled maintenance/services/inspections, compliance corrections, as well as unpredictable, occasional systems repairs emergency response (parts/labor) on an as-needed basis.
2. The base contract term is for 36 months from June 13, 2023 thru June 12, 2026, with a contract ceiling NTE \$1,992,250.00, and it has two options for 1-year extensions.
3. CPM recommends Course of Action (COA) #1 for expedited BCC approval to increase VSC's 3-year base contract NTE by \$2,377,753.00 for a revised minimum contract NTE of \$4,370,003.00.
4. This will allow CPM and the other Departments the ability to continue with the planned/scheduled services and inspections for the remainder of the contract term, and allow for any other emergencies should they arise to be paid out of repair and maintenance accounts as needed.
5. Outlined below are further background facts, risk impact and course of action considerations.

**Risk Impact.** Without additional service capacity for fire systems, the county is at risk of not only being limited in conducting its routine services and maintenance but in responding to any urgent or immediate response situations that may arise with its fire protection systems.

**Why.** The previous contractor, prior to county award to VSC, was out of compliance consistently in its quality performance of contract tasks. This contract's NTE limit was reached 18 months earlier than projected due to VSC's accelerated identification of deficiencies in fire systems compliance countywide, which required significant and immediate repair costs that far exceeded the contract's expected repairs plan and forecast.

1. Approximately 70% of the initial contract was programmed for scheduled periodic maintenance services and inspections countywide.
2. The remaining 30% of the contract was programmed for purposes of addressing inspection non-compliance issues (sprinklers, heads, alarms, horns, foam, batteries, phonelines, heat sensors, kitchen systems), and to conduct immediate and/or emergency contingency required repairs with necessary skilled labor and specialty parts.
3. However, actual county spending resulted in a ~400% increase in identified fire system compliance correction and repair costs due to the new vendor's inspections.
4. This actual spend rate has exhausted the current contract's capacity and is limiting the county's ability to continue with the basic and routine maintenance inspections/services.

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**Who.** Approximately 5 County organizations share utilization of this contract and are impacted operationally by the accelerated execution-rate demonstrated below:

1. CPM Department – Serves as the majority user of this contract (82% of planned work).
2. Solid Waste
3. STAR Center
4. Airport
5. Public Utilities

**Spend Plan vs Spend Rate Analysis.**

1. The below chart (on the left side) indicates the original planned usage. This forecasted usage informed the current contract's Not to Exceed (NTE) ceiling of \$1,992,250.00.
2. The right side of the chart indicates the actual contract spend.
3. As the majority user of this contract, CPM originally planned usage of 82% of the contract's capacity.
4. The analysis summary below demonstrates CPM is on target (**64%**) with its planned spend for scheduled maintenance services and systems inspections.
5. However, the other spend rates (**outlined in red**) demonstrate where CPM and other Departments have far exceeded anticipated repair costs which have been required as result of inspection compliance and immediately fixing newly identified risks in county fire systems.

	CONTRACT PLAN SUBMITTED						ACTUAL CONTRACT SPEND					
	Planned Annual Prevent. Maint. & Svcs	Repair Svc Calls Labor	Repair Svc Calls Parts	Un-Specs	Emergency Rate Capacity	PLAN TOTAL	Planned Annual Prevent. Maint. & Svcs	Repair Svc Calls Labor	Repair Svc Calls Parts	Un-Specs	Emergency Rate Capacity	ACTUAL SPEND TOTAL
CPM FY23								\$9,000	\$15,532	\$3,840		\$28,372
CPM FY24	\$373,395	\$72,980	\$50,567	\$47,833	\$0	\$544,775	\$356,125	\$192,132	\$189,250	\$53,857	\$4,320	\$795,683
CPM FY25	\$373,395	\$72,980	\$50,567	\$47,833	\$0	\$544,775	\$356,125	\$82,919	\$155,075	\$30,135	\$960	\$625,213
CPM FY26	\$373,395	\$72,980	\$50,567	\$47,833	\$0	\$544,775						\$0
Other Depts Annuals	\$245,065	\$48,060	\$33,300	\$31,500	\$0	\$357,925	\$370,783	\$124,217	\$177,724	\$27,864	\$4,800	\$705,388
<b>Total</b>	<b>\$1,365,250</b>	<b>\$267,000</b>	<b>\$185,000</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$1,992,250</b>	<b>\$1,083,033</b>	<b>\$408,267</b>	<b>\$537,581</b>	<b>\$115,696</b>	<b>\$10,080</b>	<b>\$2,154,656</b>
CPM Plan	\$1,120,185	\$218,940	\$151,700	\$143,500	\$0	\$1,634,325	\$712,250	\$284,050	\$359,857	\$87,832	\$5,280	\$1,449,268
CPM Use %	82%					Actual Spend Rate >	64%	259%	474%	122%		89%
Other Dept Plan	\$245,065	\$48,060	\$33,300	\$31,500	\$0	\$357,925	\$370,783	\$124,217	\$177,724	\$27,864	\$4,800	\$705,388
Other Dept Use %	18%					Actual Spend Rate >	227%	517%	1067%	177%		197%
<b>Total</b>	<b>\$1,365,250</b>	<b>\$267,000</b>	<b>\$185,000</b>	<b>\$175,000</b>	<b>\$-</b>	<b>\$1,992,250</b>	<b>\$1,083,034</b>	<b>\$408,269</b>	<b>\$537,585</b>	<b>\$115,697</b>	<b>\$10,080</b>	<b>\$2,154,656</b>
<b>Total Use %</b>							159%	306%	581%	132%		Overspent
								419%				

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**Analysis for Courses of Action (COA).**

1. This would be a third amendment because this contract was previously amended twice for location changes.
2. The table below identifies two courses of action with identified pros and cons.
3. **COA 1.** This COA recommends increasing the NTE ceiling by considering the increased spend rate the contract has experienced the last 18 months (discussed above in the *Spend Plan vs. Spend Rate Analysis*) as the basis for addition to the original planned usage. This increase calculation amounts to adding \$2,377,753.00 for a new NTE of \$4,370,003.00.
4. **COA 2.** Purchasing Division advised CPM Dept. that per Board of County Commissioner (BCC) Section 2-184, the Cty Administrator may approve MRO contract amendments to increase NTE ceilings by 50% of the value of the original BCC award. This authority would allow an increase to the original contract Not to Exceed (NTE) ceiling (\$1,992,250.00) by \$980,000.00. However, after initially starting to staff this solution and conducting this added analysis, recommending this COA for added capacity will still be insufficient to accommodate the projected required basic scheduled services.

Option	Description		Planned Annual Prevent. Maint. & Svcs	Repair Svc Calls Labor	Repair Svc Calls Parts	Un-Specs	Emergency	PLAN TOTAL
<b>EXISTING PLAN</b>	All Depts	CPM Original Plan	\$1,120,185	\$218,940	\$151,700	\$143,500	\$0	\$1,634,325
	Total Original Contract Plan	Other Dept Original Plan	\$245,065	\$48,060	\$33,300	\$31,500	\$0	\$357,925
		<b>Total Original Contract Plan</b>	<b>\$1,365,250</b>	<b>\$267,000</b>	<b>\$185,000</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$1,992,250</b>
<b>COA 1 AMENDMENT (Adjust 3 Yr NTE)</b>	CPM Adjusted 3 Yr NTE	CPM Original Plan	\$1,120,185	\$218,940	\$151,700	\$143,500	\$0	\$1,634,325
		X Apply Actual Spend Rate Applied thru Year 2	64%	259%	474%	122%	15%	
		= CPM Adj. 3 Yr NTE Ceiling	\$1,120,185	\$568,100	\$719,713	\$175,664	\$387,549	\$2,971,211
	Other Depts Adjusted 3 Yr NTE	Other Dept Original Plan	\$245,065	\$48,060	\$33,300	\$31,500	\$0	\$357,925
		X Apply Actual Spend Rate Applied Thru Year 2	227%	517%	1067%	177%	15%	
		= Other DEPT Adj. 3 Yr NTE Ceiling	\$556,731	\$248,434	\$355,448	\$55,728	\$182,451	\$1,398,792
	All Depts Adjusted 3 Yr NTE	CPM Adj. 3 Yr NTE Ceiling	\$1,120,185	\$568,100	\$719,713	\$175,664	\$387,549	\$2,971,211
		+ Other DEPT Adj. 3 Yr NTE Ceiling	\$556,731	\$248,434	\$355,448	\$55,728	\$182,451	\$1,398,792
		= Total Adj 3 Yr NTE Ceiling	\$1,676,916	\$816,534	\$1,075,161	\$231,392	\$570,000	\$4,370,003
	Requested Increase to 3 Yr NTE Ceiling		\$311,666	\$549,534	\$890,161	\$56,392	\$570,000	<b>\$2,377,753</b>
	<b>- Requires BCC Approval</b> + Least likely to need another amendment + Optimally Increases operational capacity + Optimizes staff time to prioritize prep for rebid of new contract in 2.5 yrs + Best leverages responsible planning of services, repairs & emergencies forecasting + Incorporates use of actual spend rates of repairs to better forecast capacity			+ Incorporates an industry emergency contingency rate of 15% + Restores next 1.5 yrs of contract access/use & options capacity + Optimally efficient for contract workforce administration + More efficient for contract workforce administration + Management control is maintained via Annual Budget Planning				
<b>COA 2 AMENDMENT (Increase NTE by 50%)</b>	Original County Plan	Total Original Contract Plan	\$1,365,250	\$267,000	\$185,000	\$175,000	\$0	\$1,992,250
	Added Cty Capacity	+ Amend Contract w/ 50% Increase to NTE	\$682,625.0	\$133,500.0	\$92,500.0	\$87,500.0	\$0.0	\$996,125.0
	New County Plan	= New Total Contract NTE After Amendment	\$2,047,875	\$400,500	\$277,500	\$262,500	\$0	\$2,988,375
	<b>- Does Not Explain Depth of Problem to Leadership</b> <b>- Reinforces Status Quo for Staffing process</b> <b>- Definitely will require 4th amendment within 12 months or complete rebid</b> <b>- Short Sighted solution &amp; does not even address CPM minimum needs we know now</b>			+ Great new option offered by Purchasing that CPM initially favored + Easiest/Fastest Staff Solution to Add Operational Capacity & Contract usage + Cty Administrator Approval Level + No BCC Approval				

APPROVED BY: Bill Greer, Director  
 Dept. of Construction and Property Management  
 PREPARED BY: Sabra Reich, Contract Administration Coordinator