

OMB Granicus Review

Granicus Title	Award of bid to Schindler Elevator Corporation for annual requirements of elevator maintenance and repair services.				
Granicus ID#	23-1562A	Reference #	23-1562A	Date	11/14/2023

Mark all Applicable Boxes:

Type of Review									
CIP		Grant		Other	X	Revenue		Project	

Fiscal Information:

New Contract (Y/N)	N	Original Amount	\$	1,291,880.00
Fund(s)	Multiple Funds	Amount of Change (+/-)		N/A
Cost Center(s)	Multiple Centers	Total Amount	\$	1,291,880.00
Program(s)	Multiple Programs	Amount Available (FY24)	\$	218,500.00
Account(s)	Multiple Accounts	Included in Applicable Budget? (Y/N)	Y	
Fiscal Year(s)	FY24 – FY26			

Description & Comments

(What is it, any issues found, is there a financial impact to current/next FY, does this contract vary from previous FY, etc.)

Summary

- The proposed contract will have a not-to-exceed threshold of \$1,291,880.00 for a term length of 36-months.
- This will be expensed from multiple departments and funding will be derived from multiple funds, centers, programs, and accounts, including CIP.
- Departments have budgeted \$218,500.00 in FY24, which is not sufficient to meet the contract's estimated average annual expenditure of \$430,626.67.
- Approval for the use of funds and whether budgetary conditions are met will need to be made on a department-by-department basis.

Background

The Department of Administrative Services (DAS) is seeking the approval by the Board of County Commissioners (BCC) for an award to Schindler Elevator Corporation (Schindler) for elevator maintenance and repair services. This new contract will have a not-to-exceed threshold of \$1,291,880.00 for a term of 36-months with an estimated annual average expenditure of \$430,626.67. This new contract will replace an existing contract with Schindler (178-0498-M), which was approved with a not-to-exceed threshold of \$1,422,020.00 (\$284,404.00 estimated annual average expenditure) from April 9, 2019, through April 8, 2024. Though the not-to-exceed threshold is lower on this new contract, it represents an increase of \$146,222.67, or 51.4% annually due to a shorter term and increased costs for labor and parts.

The current contract (178-0498-M) has experienced an average annual expenditure of \$166,087.23, with an average year-over-year (YoY) increase of \$15,982.35 (Table 1). The contract has experienced ebbs and flows during its term and currently has higher expenditures in the first quarter of FY24 than it did in all of FY23.

Contract 178-0498-M PO Summary (Current Contract)			
Year	Amount	YoY \$ Difference	YoY % Difference
2019	\$ 66,459.60	-	-
2020	\$ 312,298.65	\$ 245,839.05	369.9%
2021	\$ 60,792.96	\$ (251,505.69)	-80.5%
2022	\$ 260,495.96	\$ 199,703.00	328.5%
2023	\$ 130,389.00	\$ (130,106.96)	-49.9%
2024 YTD	\$ 150,611.90	\$ 20,222.90	15.5%
Total FY19 – FY24	\$ 981,048.07	-	-
Actual Average FY19 – FY23	\$ 166,087.23	\$ 15,982.35	142.0%

Table 1: Contract 178-0498-M PO Summary (Current Contract)

Actuals have surpassed the estimated annual average of \$284,404.00 in FY20 and FY22 and is likely on track to do so again in FY24. Furthermore, the actual average of \$166,087.23 was \$118,316.77, or 41.6% less than the estimated average annual expenditure proposed in the staff report. According to iSupplier, the contract is 93.3% of the term, with four months remaining, and yet only 69.4% of the contract has been expensed. This all indicates that actual spending is lower than the projected estimated average of the contract and the contract is not being utilized at the anticipated rate.

BPA Summary				
BPA #	Approved	Released	\$ Remaining	% Expensed
435675	\$ 550,020.00	\$ 480,604.80	\$ 69,415.20	87.4%
435676	\$ 872,000.00	\$ 506,260.47	\$ 365,739.53	58.1%
Total	\$ 1,422,020.00	\$ 986,865.27	\$ 435,154.73	69.4%

Table 2: BPA Summary

This contract is used by multiple departments and funding is derived from multiple Funds, Centers, Accounts, and Programs; however, DAS (61.0%) and Capital Improvement Program (CIP) (18.9%) were historically the highest users of the current contract with Schindler. Funding for this new contract will be derived from multiple Funds, Centers, Accounts, and Programs, including CIP.

BPA Summary by Department (Current Contract)		
Department	Total Amount	% of Total Spending
Airport	\$ 20,014.00	2.0%
Department of Administrative Services	\$ 598,597.93	61.0%
Capital Improvement Program	\$ 185,284.00	18.9%
Parks and Conservation Resources	\$ 30,567.90	3.1%
STAR Center	\$ 84,581.00	8.6%
Utilities	\$ 62,003.24	6.3%
Total	\$ 981,048.07	100.0%

Table 3: BPA Summary by Department

In total, departments have budgeted \$218,500.00 for the use of Schindler in the FY24 Adopted Budget (Table 4), which is not sufficient to meet the needs of the proposed contract's estimated annual average of \$430,626.67. The trend in historical actual expenditures conveys a different narrative however, and suggests that the budget will likely be sufficient in FY24 to meet needs because actual expenditures have historically been lower than the budget and the estimated annual average expenditure. Due to this

variance in the narrative, it is not completely clear if sufficient budget is in place to meet the County's operational needs. Approval for the use of funds and whether budgetary conditions are met will need to be made on a department-by-department basis.

Analyst: Shane Kunze

Ok to Sign:

Instructions/Checklist

1. Upon receipt of a request for review and notification in Granicus, review the Agenda and document for language and accuracy. Make sure there are available funds, the dept. is not overextending itself, was it planned, etc.
2. Use the Staff Report section to give a summary of the contract and include your thoughts and pertinent information.
3. Complete the form above using the Granicus attachments and the County's accounting & budgeting systems (i.e., OPUS, Chart of Accounts, Questica Budget Software).
4. Include a statement in both the Fiscal Impact section of the Staff Report and the Granicus Review form to indicate if the activity is planned in the current budget.
 - a. Sample language: **"The (contract, agreement, MOU, activity, etc.) is included in the FY23 Adopted Budget and the preliminary FY24 budget submission from the department. The annual amount expected to be spent on the (contract, agreement, MOU, activity, etc.) is approximately the same as has been spent in most recent years (or is ____ percent higher or lower due to ____)"**.
5. Save the form with the following naming convention:
 - a. **OMB.Review_XX-XXXX_Department_Subject_Date**
 - b. (e.g., OMB Review_22-529A_PW_Sidewalk_28-DEC-2022).
6. Upload to Granicus as a numbered attachment.
 - a. Upload a copy of the Granicus review into the appropriate department review folder on SharePoint. (OMB/OMB Document Library/GRANICUS.RVW).