



TOPIC: University of Maryland University College: Facilities and Equipment Maintenance Contract

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 15, 2010

SUMMARY: The University of Maryland University College (UMUC) requests approval to enter into a second five-year contract with EMCOR Government Services, Inc. for the purpose of maintaining all of UMUC facilities (approximately 764,000 square feet) and equipment.

Under the supervision and management of the UMUC Associate Vice President of Facilities, the Contractor provides staffing, supervision, transportation, tools, equipment, materials, and supplies to perform all preventive, corrective, predictive, and repair maintenance to the buildings, building systems, garage structure and systems, and equipment. EMCOR is paid at a fixed fee for its staff provided as well as reimbursed at a cost plus a percentage fee for materials and supplies (7%), as well as general repairs and maintenance work orders (ranges from 5% to 10.5% depending on the magnitude of the work order). The contractor is required to obtain competitive prices for general repairs and maintenance.

UMUC contracted with EMCOR via a sealed competitive proposal process in 2005. The initial term was for five years (September 2005 to August 2010). The contract allows for two (2) additional five-year term renewals. UMUC is requesting approval for the first of these renewal terms from September 2010 through August 2015.

This request is made pursuant to University System of Maryland Procurement Policies and Procedures; Section VII.C.2, for procurements exceeding \$5 million.

ALTERNATIVE(S): As an alternative to awarding the contract to EMCOR, UMUC could hire, train, and retain its own staff to support this function, however, UMUC feels strongly that outsourcing the maintenance of its buildings and equipment is the most efficient and effective approach.

FISCAL IMPACT: The source of funds for this contract will be UMUC's operating budget. The total spend for the contract is estimated to be \$24 million for the five-year contract term. The fixed fee for the staff is subject to increase in accordance with Consumer Price Index not-to-exceed 5%. The total anticipated fee for staffing for the five-year contract term is approximately \$8.5 million. The balance of the estimated costs is for reimbursables for general repairs and maintenance work (approximately \$3.1M per year). The mark-up percentage for the reimbursables remains the same throughout the term of the contract.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for UMUC to enter into a five-year contract for facilities and equipment maintenance with EMCOR Government Services, Inc. under the terms and conditions described above.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923
