



**Title:** Authorization to Enter into Contract with McGough Facility Management  
**Resolution number:** 24-068  
**Prepared by:** Name: Deb Johnson  
Phone: 952.641.4500  
djohnson @minnehahacreek.org  
**Reviewed by:** Name/Title: Tessa Vacek, Administrative Services Manager  
**Recommended action:** Approval of vendor and authorization for District Administrator to enter into contract  
**Budget considerations:** Fund name and code: Operations contracted services  
Fund budget for 2025: \$60,000  
Expected expenditures for facility vendor: not to exceed \$36,000  
**Past Board action:** October 10, 2024 release of RFP approved by Board

**Summary:**

At the October 10 board meeting the Board of Managers authorized the release of a request for proposals for a facilities management vendor. Operations staff published the RFP on the District and League of Minnesota Cities websites, and upon the due date had received one proposal from McGough Facility Management, headquartered in St. Paul, Minnesota.

Facility management from one day to the next is ever changing and varies from week-to-week, however on average 25% of Operations staff time is spent on facility related maintenance, repairs and proactively attending to matters before they become issues. As stated in the RFP, a facility management vendor would provide Operations staff with:

1. a consolidation of vendors, providing a more efficient and manageable process for Operations staff. A facilities contractor would eliminate the need for a multitude of one-off vendors by providing staff trained and certified in a variety of areas allowing for one call, one vendor to manage, one invoice and one payment;
2. subject matter expertise on a host of facility related matters from mechanical equipment, including HVAC systems, to plumbing to roofing materials, and;
3. provide guidance and assistance in creating and managing an asset replacement schedule as well as a multi-year budgeting tool for capital expenditures. With many of the building mechanical systems installed in 2013, upon moving to this building, the District is approaching mechanical systems life cycle issues, and in some instances has already and unexpectedly found the need for replacement mechanicals. A facilities management vendor will create and assist staff in managing an asset tool as well as assist and guide staff through replacement scheduling for multi-year budgeting purposes.

Staff reviewed the proposal submission focusing on McGough's ability to perform any number of maintenance and repair services utilizing their employee staff rather than outsourcing, with the expectation that vendor staff will help reduce facility expenditures on an overall basis.

Other criteria for selection included asset management and budgeting experience, management of replacement schedules, availability of staff after hours and for emergency purposes, and their work with any similar sized operations and/or public sector organizations.

The Operations staff met on-site with McGough for a review of their proposal as well as a facility walk-through to help ensure their team had a complete understanding of the building, and its mechanicals, inside and out.

In response to the District's request, McGough provided a proposal, with three service and payment options to choose from, designed to align with the District's operational needs. These included: 1) direct invoicing whereby the District pays McGough as well as any outside vendors they may hire to perform tasks on behalf of the District; 2) self-funded accounting option whereby McGough pays all invoices for services performed by McGough as well as any vendors hired to perform tasks on behalf of the District; and 3) a time and materials option with the District paying hourly rates for services performed and the cost of materials.

District staff selected option one as the most cost effective and best aligned with Operational needs. This option includes a monthly on-site visit for complete facility walk-through to include monthly compliance inspections of elevator fire recall testing, eye wash station testing and fire extinguisher inspections. Ahead of these scheduled inspections staff may prepare a list of maintenance tasks that can take place during these monthly visits. Items include, but are not limited to, repair or replacement of lighting, plumbing, painting, carpeting, workstation adjustment, minor carpentry, window or door repair and HVAC or other mechanical service repairs or inspections.

Based on District needs McGough is proposing up to 124 hours annually for these services as part of the contract. This is, on average, the amount of time currently spent by the various facility vendors managed by the Operations staff. Should additional services be needed McGough staff will invoice at a per hour rate. Additionally, if a required service falls outside of the scope of services agreement or expertise of McGough staff, they will arrange for and project manage the repair and/or replacement on behalf of the District. All services, regardless of whether performed by McGough staff or another vendor would be approved by District staff prior to any work or service being performed.

Additionally, McGough has proposed up to 126 hours of work the first year to create a facilities asset list detailing a repair, maintenance and replacement schedule. Along with the asset list McGough will assist the Operations staff in creating one-two-and three-year capital budget projections and recommendations for replacement of major mechanicals and structural systems within the MCWD campus.

McGough will, for the most part, manage all facility-related vendors as part of the agreement. In coordination with Operations staff, McGough will arrange for, project manage and review invoices for any vendors used outside of the McGough staff. MCWD will continue to approve and pay vendor invoices as it does today. Operations staff may have one or more one-off facility vendors that they will continue to manage separately from the McGough agreement, e.g., janitorial and lawncare services.

As a facility vendor is a new arrangement for the MCWD, McGough has agreed to a one-year contract term at the end of which both parties can assess and determine whether worth pursuing going forward, and if so what adjustments, if any, would the parties like to make.

Operations staff anticipates a gradual but steady time and resource savings with a consolidation in services that a facility management vendor would provide. Understanding it will take time for the selected vendor to get fully up to speed on the District's facility, however over time Operations staff will spend less time managing multiple vendors, contracts and projects. This time savings can be reallocated to any number of other Operations areas, including finance and human resources as well as day-to-day IT management, which following the departure of the GIS Coordinator was realigned within the Operations department.

**Recommendation:**

To provide assistance to Operations staff, in the effective and economical operation the MCWD facility as well as to provide guidance in the design, development and implementation of a preventive maintenance/asset management program, staff is recommending that MCWD contracts with McGough Facility Management to provide these services.

In accordance with Minnesota Statutes §13.591, the submitted proposal is not part of the public record until the Board of Managers has approved. A copy of the submitted proposal will be distributed to the board managers, via email, for review prior to the December 19, 2024 board meeting.



**RESOLUTION**

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- WHEREAS Day-to-day the Operation staff is responsible for the MCWD facility/campus, its maintenance and upkeep;
- WHEREAS Maintenance, repairs and replacement of facility structural and operating systems encompass numerous vendors both specialized and general in nature;
- WHEREAS, Presently, Operations staff manages the upkeep of maintenance and replacement schedules, asset management and capital budgeting;
- WHEREAS, On October 10, 2024 the Board of Managers authorized the release of request for proposals for a facilities management service provider;
- WHEREAS, one facilities management service provider responded who meets the requirements set for within the proposal request;
- WHEREAS A facility management service contractor would provide efficiencies in consolidation of vendors for both general repairs, maintenance and specialized services; and
- WHEREAS Such a contractor would provide expertise and assistant to staff in the areas of asset management, repair/replacement schedules, capital asset budgeting, repair and replace equipment and materials, and assure compliance with state requirements;

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers hereby authorizes the District Administrator to enter into a facilities management services agreement with McGough Facilities Management per the fees and services set forth in the proposal, on advice of legal counsel.

Resolution Number 24- 068 was moved by Manager \_\_\_\_\_, seconded by Manager \_\_\_\_\_. Motion to adopt the resolution \_\_\_ ayes, \_\_\_ nays, \_\_\_ abstentions. Date 12/19/2024

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Secretary Date: \_\_\_\_\_