

MEMORANDUM

TO: NWABSD Board of Education
Members

DATE: August 25, 2025

NUMBER: 26-016

FR: Office of the Superintendent

SUBJECT: Approval of FY26 NMS
Custodial Services
Addendum

ABSTRACT:

Board approval is required for all purchases over \$50,000.

ISSUE:

At issue is the approval of a one-year renewal to the Districtwide Custodial Services contract between NWABSD and NANA Management LLC (NMS) for the Fiscal Year 2025-2026, not to exceed \$2,659,904.08.

BACKGROUND AND/OR PERTINENT INFORMATION:

The School District went out to Request for Proposals for Custodial Service Management for FY22 with the option to renew the contract for up to four (4) years through FY26. Nana Management Services, LLC was the single proposer that the district had, and is offering, competitive prices for their services despite the increase noted below.

FY25 amount \$2,511,227 (no increase to service costs from FY24)

Recognizing the District's current financial challenges, as the District's partner, NMS Custodial Services did not request an increase for the FY25 year as long as the scope of services remained the same.

Requested FY26 amount \$2,659,904.08

The FY26 increase request includes a 4.7% cost increase, as well as the addition of vacuum repair and replacement services. The total increase amount is equal to \$148,677.64.

FUNDING SOURCE:

General Fund

ALTERNATIVES:

1. Approve the FY26 NMS Custodial Services Addendum not to exceed \$2,659,904.08, as presented;
2. Disapprove the FY26 NMS Custodial Services Addendum, as presented;
3. Take no final action.

ADMINISTRATION'S RECOMMENDATION:

The Administration recommends the Board approve the FY26 NMS Custodial Services Addendum not to exceed \$2,659,904.08, as presented.

ATTACHMENT:

NANA Management Services Addendum 4 to Custodial Services Contract

**ADDENDUM 4 to
Custodial Services Contract
with
Northwest Arctic Borough School District**

This Addendum No. 4 to the “Custodial Services Contract” dated July 1, 2021 (the “Contract”) is entered into by and between NANA Management Services, LLC (“NMS”) and Northwest Arctic Borough School District (“the School District”), effective **July 1, 2025**.

In consideration of the mutual promises set out in the Contract, the Parties enter into this Addendum, effective upon the date first written above.

The following changes are made to the Agreement:

2.) Term of Contract:

Contract is amended to reflect the commencement of Renewal Year Four (4 of 4) with a period of performance: **July 1, 2025 to June 30, 2026**, unless sooner terminated in accordance with the terms of the Contract.

3.) Compensation:

Contract is amended to reflect the new billing rates found in **Exhibit A – Renewal Rates**.

Continuation of Services Contract. Except as specifically amended pursuant to the foregoing, the Contract shall continue in full force and effect in accordance with the terms in existence as of the date of this Addendum. After the date of this Addendum, any reference to the Contract shall mean the Contract as amended by this Addendum.

IN WITNESS WHEREOF, the Parties have caused this Addendum to be signed by their authorized agents on the dates below.

NANA MANAGEMENT SERVICES, LLC

**NORTHWEST ARCTIC BOROUGH
SCHOOL DISTRICT**

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



EXHIBIT A - RENEWAL RATES

May 18th, 2025

Natalie Dickey
Northwest Arctic Borough School District
P.O. Box 51
Kotzebue, AK 99752
ndickey@nwarctic.org
907-442-1825
907-442-3827 (fax)

RE: Custodial Contract Renewal

To Ms. Dickey:

We are writing regarding the upcoming fiscal School year and an increase to the NMS custodial contract with the district. We look forward to our continued partnership in providing janitorial services to the Northwest Arctic Borough School District.

We are still experiencing challenges with hiring in all the remote village areas. This sometimes increases our costs to mitigate and try and send employees out to assist or credit costs for employees we could not cover

We are showing an increase in labor of 24% year over year and supply costs of 23% percent year over year. However, we only request a 4.7% increase because we know of the district's budget challenges.

Currently, equipment repairs and replacements are handled by the school district. However, we have recently been informed that we will now be responsible for the repair and replacement of vacuum cleaners. All other equipment—such as buffers, extractors, and floor scrubbers—will continue to be maintained by the district.

As the maintenance of vacuum cleaners was not included in our original pricing, we will need to account for the additional costs associated with their repair and replacement. Since there is no on-site technician available, vacuum cleaners will need to be shipped back to Anchorage for servicing.

Accordingly, we propose an annual cost of \$30,650.00 to cover the expenses related to vacuum cleaner repairs and replacements.

EXHIBIT A - RENEWAL RATES

Our increase request breaks down as follows:

The current yearly amount is \$2,511,226.44

Vacuum repair and replacement come to a total yearly cost of \$30,650.00

With the 4.7% cost increase and equipment total of \$30,650.00, the new yearly amount is \$2,659,904.08

The cost increase comes to $\$118,027.64 + \$30,650.00 = \mathbf{\$148,677.64}$

Attachment showing breakdown of cost by school is Attached

Please feel free to reach out to me, and we can discuss this,

Sincerely,



Scotty G Austin, C.E.H., F.M.P., I.C.E., C.P.T., | Director of Operations – Environmental Services/Facilities / ISSA CIMS Certified Company
NMS | 800 E. Dimond Blvd., Suite 3-450, Anchorage, AK 99515
Direct (907) 263-1720 | Fax 907 343 5603 | scott.austin@nmsusa.com



EXHIBIT A - RENEWAL RATES

NWABSD EVS - Proposed Contract rates

Contract Amount					
Proposed 4.7% Increase FY25-26					
		<u>0.047</u>	<u>\$30,650.00</u>		
	SY24-25 Rate	3% Increase	equipment repairs	SY25-26 Proposed rate	
Ambler	\$ 147,098.16	\$ 6,913.61	\$ 1,839.00	\$	155,850.77
Buckland	\$ 219,140.64	\$ 10,299.61	\$ 1,839.00	\$	231,279.25
Deering	\$ 113,434.56	\$ 5,331.42	\$ 1,839.00	\$	120,604.98
Kiana	\$ 141,326.64	\$ 6,642.35	\$ 1,839.00	\$	149,807.99
Kivalina	\$ 161,738.64	\$ 7,601.72	\$ 1,839.00	\$	171,179.36
Kobuk	\$ 82,639.44	\$ 3,884.05	\$ 1,839.00	\$	88,362.49
Noatak	\$ 203,591.88	\$ 9,568.82	\$ 1,839.00	\$	214,999.70
Selawik	\$ 216,787.32	\$ 10,189.00	\$ 1,839.00	\$	228,815.32
Noorvik	\$ 206,831.88	\$ 9,721.10	\$ 1,839.00	\$	218,391.98
Shungnak	\$ 138,747.60	\$ 6,521.14	\$ 1,839.00	\$	147,107.74
JNES/KMHS	\$ 601,346.16	\$ 28,263.27	\$ 9,501.50	\$	639,110.93
DO/Maint	\$ 102,794.40	\$ 4,831.34	\$ 306.50	\$	107,932.24
STAR Dorm	\$ 64,268.64	\$ 3,020.63	\$ 1,226.00	\$	68,515.27
ATC/Dorm	\$ 111,480.48	\$ 5,239.58	\$ 1,226.00	\$	117,946.06
	\$ 2,511,226.44	\$ 118,027.64	\$ 30,650.00	\$	2,659,904.08