

**PROCUREMENT OFFICER'S DETERMINATION  
INTERGOVERNMENTAL COOPERATIVE PURCHASING  
CONTRACT NO. 223007-H  
RENTAL OF FOUR MODULAR OFFICE TRAILERS  
MODIFICATION NO. 1**

**A. PROJECT DESCRIPTION**

The original contract with TSG Industries LLC (TSG) to lease four Modular Office Trailers was executed pursuant to COMAR 21.05.09, under the intergovernmental cooperative purchasing agreement (ICPA), Omnia Contract No. R210502. The contract is for a 3-year lease of four trailers after they have been manufactured to meet the specifications set forth in RFQ 223007-H including wiring, doorways, bathrooms, canopies, decking, stairs, ADA accessible ramps, etc. The contract price of \$629,515.28 includes the cost to manufacture, transport, install and anchor the trailers at DMT, and lease and maintain the trailers over the 3-year lease term.

This determination is for the modification to increase the price of the above-referenced contract by \$118,612, for a total new contract price of \$748,127.16, and to extend the delivery date of the trailers to April 30, 2024, per the vendor's quote and representations that supplier costs and projected delivery dates have changed since the original quote.

**B. STATEMENT OF CHANGE**

Modification No. 1 increases the monthly lease cost for each of the four modular trailers and the installation cost per building as follows:

Item Description	Quantity	Original Contracted Unit Price	Original Contracted Total	Modified Unit Price	Modified Total
Building Rental Modular Trailer #1, Clerk Staff	36 months	2,515.88	90,571.68	3,019.06	108,686.16
Building Rental Modular Trailer #2, Conference	36 months	2,417.25	87,021.00	2,900.70	104,425.20
Building Rental Modular Trailer #3, Clerk Staff #2	36 months	2,471.75	88,983.00	2,966.10	106,779.60
Building Rental Modular Trailer #4, MAT Staff	36 months	2,442.60	87,933.60	2,931.12	105,520.32
Maintenance Service On Call	36 months	275.00	9,900.00	0	0
ADA Deck, Ramp & Steps System	36 months	775.00	27,900.00	775.00	27,900.00
Building Installation	4 buildings	15,772.50	63,090.00	30,174.97	120,699.88
Delivery (GA), Block, Level & Anchor	4 buildings	10,765.75	43,063.00	10,765.75	43,063.00

Item Description	Quantity	Original Contracted Unit Price	Original Contracted Total	Modified Unit Price	Modified Total
Utility Connection Allowance (power)	4 buildings	7,500.00	30,000.00	7,500.00	30,000.00
Metal Skirting Installation/ Removal	4 buildings	2,555.50	10,222.00	2,555.50	10,222.00
Accessibility Installation/ Removal	4 buildings	2,520.00	10,080.00	2,520.00	10,080.00
Delivery/Return Freight	4 buildings	625.25	2,501.00	625.25	2,501.00
Design and Permits	1	8,250.00	8,250.00	8,250.00	8,250.00
Canopy Installation, Allowance	1	70,000.00	70,000.00	70,000.00	70,000.00
Totals		128,886.48	629,515.28	144,983.45	748,127.16

C. BACKGROUND AND REASON FOR CHANGE

On September 25, 2023, TSG informed MPA that its supplier's costs had increased and that TSG's price to deliver the trailers also would need to be increased. While TSG had entered into a contract to deliver the trailers for a set price, its quote, upon which the contract was based, stated that it was valid only for 30 days which had expired prior to the MPA's issuance of the BPO/Contract. According to TSG, when it requested Engineering Submittal documents from its supplier, the supplier advised TSG that the rental cost had increased. Also, the supplier could no longer meet the January 2024 delivery date.

TSG provided MPA with an updated quote reflecting increased pricing for the four modular trailers, building installation, maintenance fees, and canopy allowance. After extensive discussions between the Procurement Officer, MPA Engineering and TSG regarding the basis for the increased costs and in an effort to reduce or eliminate some of the increases, TSG revised its quote several times resulting in the October 23, 2023 quote which, though it adds \$118,612 in costs to the original contract amount, was \$50,000 less than the first updated quote submitted by TSG. TSG explained the increased costs and changed delivery date as follows:

*Modular Trailers:* By changing the supplier, TSG will be able to provide trailers to MPA by February 27, 2024 instead of June 10, 2024, the earliest date it could have met using the original supplier.

*Monthly Rental for Four Trailers:* The increased monthly rental cost for each of the four trailers reflects the increased costs quoted by the new TSG supplier. The October 23 monthly rental prices quoted include the monthly maintenance service cost which, under the initial quote, had been quoted as a separate line item and totaled \$9,900 over the 36-month lease period.

*Building Installation:* This cost item increased based on the prices quoted by the new supplier and installer.

*Maintenance Service:* While TSG initially quoted an additional monthly maintenance service charge, after discussions with MPA, TSG agreed to include the maintenance service charge in the monthly rental charges with no corresponding increase in the monthly rental charges.

It is critical to MPA to have the trailers in place as soon as possible and TSG has represented that, to ensure delivery of the trailers by late April 2024, will require TSG to use a new supplier and pay higher costs to meet the April 2024 deadline. MPA Engineering is committed to the earliest possible delivery date and to increase the funding to have TSG deliver the trailers in April 2024 or before.

D. PROCUREMENT OFFICER'S DETERMINATION

For the reasons stated above and having received written documentation supporting the increased prices, the Procurement Officer determines that Modification No. 1 should be issued to increase the contract NTE value by \$118,612 to \$748,127.16 and require the delivery of the trailers on or before April 30, 2024. This modification is within MPA's delegated authority under COMAR

~~21.02.01.04(8)~~. 21.02.01.04 F(8).

JIT

Jenilee Jay 11/1/23  
Jenilee Jay Date  
Procurement Officer

John Thornton 11/1/23  
John Thornton Date  
Procurement Manager/Designee