

AGENDA



Thursday, April 2, 2009

**Law
RECOMMENDATION FOR COUNCIL ACTION****Item No. 8**

Subject: Authorize negotiation and execution of an amendment to an outside legal contract with Jackson Walker L.L.P. for legal services related to the City's request for proposals regarding a new customer information system in an amount not to exceed \$30,000, for a total contract amount not to exceed \$105,000.

Amount and Source of Funding: Funding in the amount of \$30,000 is available in the Fiscal Year 2008-09 Operating Budget of Austin Energy.

Fiscal Note: There is no unanticipated financial impact. A fiscal note is not required.

For More Information: Andy Perny, Assistant City Attorney, 322-6277

Prior Council Action: December 18, 2008 - Council approved \$75,000 increase.

This action will authorize an increase in the amount of the outside counsel contract with Jackson Walker L.L.P. regarding that firm's provision of legal services in the negotiation of a potential new customer information system (CIS) at Austin Energy. This contract was originally executed in November of 2007 in anticipation of the eventual issuance of a request for proposal for a new CIS. The original contract amount was executed for \$35,000 under the City Manager's administrative authority, and an increase in the contract amount to \$75,000 was approved by Council on December 18, 2009.

The CIS is the computer system responsible for maintaining utility customer information, billing, and payment processing for a number of City departments, including Austin Energy, Austin Water, and Solid Waste Services.

The first increase to the contract was sought because of the length and complexity of the initial contract discussions. The bulk of the previously approved contract funds have been expended in the course of discussions with the first successful respondent. Despite the time and funds invested in those discussions, however, it became prudent to terminate them due to, among other considerations, a rapid decline in the company's financial condition, which resulted in a Chapter 11 bankruptcy filing. City staff has since begun discussions with the company that submitted the second-ranked proposal, which necessitates additional funding to cover outside legal fees for this new round of discussions. Staff recommends approval of this funding and believes the services being provided under this contract contribute greatly to the City's ability to obtain favorable terms and conditions for the proposed CIS contract.