

AGENDA



Thursday, June 24, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 46

Subject: Approve ratification of payments made to Austin Independent School District (AISD) for operating and maintenance services provided by AISD under an Interlocal Agreement for construction and use of the J.J. Pickle Elementary School/St. John's Community Center campus, in the amount of \$714,339.16, and authorize negotiation and execution of an amendment to the agreement for a term of one year, effective on July 1, 2010, to reimburse AISD for certain operating and maintenance services provided from September 1, 2006 through August 31, 2009, in the amount of \$330,111.54, and to reimburse AISD for the same types of services provided from September 1, 2009 through August 31, 2010, in an amount not to exceed \$200,000, with an option to renew for one 12-month term in an amount not to exceed \$200,000.

Amount and Source of Funding: Funding in the amount of \$714,339.16 for payments associated with the ratification was available in Fiscal Year 2002-2003 through Fiscal Year 2008-2009 and is available in the Fiscal Year 2009-2010 Operating Budgets of the Austin Police Department, Health & Human Services Department, Library Department, and Parks and Recreation Department. Funding in the amount \$530,111.54 for the contract amendment is available in the Fiscal Year 2009-2010 Operating Budgets of the Austin Police Department, Health & Human Services Department, Library Department, and Parks and Recreation Department. Funding for the extension option is contingent upon available funding in future budgets.

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

MBE/WBE: This Interlocal Agreement is exempt from the MBE/WBE Ordinance. This exemption is in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this contract.

Prior Council Action: December 30, 1998, Council authorized the City Manager to negotiate and present for approval at a later date an agreement with AISD for the construction and operation of facilities jointly serving the educational and municipal needs of the local community; July 1, 1999, Council authorized, with conditions, the negotiation of an Interlocal Agreement with AISD for design, construction, and maintenance of the J. J. Pickle Elementary School/St. John Community Center; August 19, 1999, Council approved execution of an Interlocal Agreement with AISD for design, construction, and related services, with a not to exceed amount of \$5,785,600; June 29, 2000, Council approved execution of an amendment to increase funding for design, construction and related services in the amount of \$300,000 for a total agreement amount not to exceed \$6,085,600; August 2, 2001, Council approved execution of a second amendment to increase funding for design, construction and related services in the amount of \$102,500, for a total agreement amount not to exceed \$6,188,100.

The Facility Construction and Use Agreement for the J.J. Pickle Elementary School/St. John Community Center campus (Center) was approved by Council on August 19, 1999, and included a not to exceed amount of \$5,785,600 for design, construction and related services. The agreement was amended in 2000 and 2001 to authorize \$402,500 in additional funds. All City funds authorized for the Center were bond funds, for use only for design and construction. The agreement went into effect on February 8, 2000, and the Center opened in 2002.

Four City departments have facilities within the Center: Police, Health & Human Services, Library, and Parks & Recreation. The agreement includes provisions for sharing certain operation and maintenance costs of facilities with AISD, and the original Request for Council Action stated that "upon completion, the operations and maintenance of the facility will be contingent upon funding available in future Operating Budgets". The departments included funding for these operating and maintenance costs in their annual budgets, and reimbursed AISD \$714,339.16 for operating and maintenance. However, no specific dollar amounts were approved by Council for the City's share of operating and maintenance costs, and the payments for these services exceeded the maximum \$6,188,000 amount approved in the previous RCAs. This RCA will authorize ratification of the operating and maintenance reimbursements made to AISD.

In addition, this RCA will authorize negotiation and execution of an amendment to the agreement to authorize payment of \$330,111.45 in operating and maintenance costs now due to AISD, and to authorize payment for the same types of services for the period September 1, 2009, through August 31, 2010, in an amount not to exceed \$200,000, with an option to renew for one additional 12-month term in an amount not to exceed \$200,000.

The amendment will also require the parties to begin meeting this fall to negotiate a subsequent amendment to clarify billing and payment procedures for future years and identify a City contract manager to monitor the agreement. Representatives of the four City departments will participate in meetings with AISD staff, and a separate amendment will be brought to Council once negotiations are completed.