

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	7222	Agenda Number	36.
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Meeting Date:	June 9, 2011
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Department:	Purchasing
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Subject

Authorize award and execution of Amendment 1 to a 15-year lease agreement with the LOWER COLORADO RIVER AUTHORITY, Austin, TX, for radio equipment tower space in an estimated amount not to exceed \$12,973 for the 8th year lease fee, and the authorization to make actual annual lease payments as appropriate for the remaining seven years of the original fifteen year term, with two 5-year extension options in an estimated amount not to exceed \$90,000 for the first extension option and \$105,000 for the second extension option, for a total estimated contract amount not to exceed \$395,000.

Amount and Source of Funding

Funding in the amount of \$12,973 is available in the Fiscal Year 2010-2011 Operating Budget of the Financial and Administrative Services Department, Communications and Technology Management, Wireless Services. Funding for the remaining years of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note

There is no unanticipated fiscal impact. A fiscal note is not required.

Purchasing Language:	Contract Amendment.
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Prior Council Action:	
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For More Information:	Wilbur Jones, Buyer I, 972-4013
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Boards and Commission Action:	
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MBE / WBE:	This contract was awarded 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 solicitation.
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Related Items:	
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Additional Backup Information

This 15-year lease agreement provides the City of Austin with space to mount radio antennas and cabling on a communications tower owned by the Lower Colorado River Authority (LCRA) in Creedmoor, TX. This equipment is critical to the Regional Radio System coverage in southeast Travis County.

This lease was issued as a sole source contract in 2004 with an initial annual payment of \$10,584. Successive years of the lease agreement have been subject to a price increase of up to 3% per year as shown.

The recommended Council action is to approve Amendment No. 1 for the payment of the 8th year lease fee in the amount of \$12,973, and the authorization to make actual annual lease payments as appropriate for the remaining seven (7) years of the original fifteen (15) year term and enter into the two (2) five-year extension options when appropriate, for a final estimated contract value of \$395,000.

Payments made to LCRA as part of this lease agreement are as follows:

DESCRIPTION	ACTION	TERM	AMOUNT
15-Year Lease Agreement	Year 1 Lease Fee	05/01/04-04/30/05	\$10,584.00
	Year 2 Lease Fee	05/01/05-04/30/06	\$10,864.44
	Year 3 Lease Fee	05/01/06-04/30/07	\$11,190.37
	Year 4 Lease Fee	05/01/07-04/30/08	\$11,526.08
	Year 5 Lease Fee	05/01/08-04/30/09	\$11,871.86
	Year 6 Lease Fee	05/01/09-04/30/10	\$12,228.02
	Year 7 Lease Fee	05/01/10-04/30/11	\$12,594.86
Proposed Amendment No. 1	Year 8 Lease Fee	05/01/11-04/30/12	\$12,972.71*
	Year 9 Lease Fee	05/01/12-04/30/13	\$13,361.89*
	Year 10 Lease Fee	05/01/13-04/30/14	\$13,762.74*
	Year 11 Lease Fee	05/01/14-04/30/15	\$14,175.63*
	Year 12 Lease Fee	05/01/15-04/30/16	\$14,600.89*
	Year 13 Lease Fee	05/01/16-04/30/17	\$15,038.92*
	Year 14 Lease Fee	05/01/17-04/30/18	\$15,490.09*
	Year 15 Lease Fee	05/01/18-04/30/19	\$15,954.79*
Extension Option 2		05/01/19-04/30/24	\$90,000.00
Extension Option 3		05/01/24-04/30/29	\$105,000.00

Annual fee for Year 8 thru Year 15 have been indicated with an asterisk (*) and have been estimated using a 3% multiplier in each successive year. Actual fee will be invoiced by LCRA.