

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

9466

Agenda Number

27.

Meeting Date:

October 6, 2011

Department:

Purchasing

Subject

Authorize award and execution of Amendment No. 1 to a 15-year lease agreement with LOWER COLORADO RIVER AUTHORITY (LCRA), Austin, TX, for radio equipment tower space on the LCRA Sim Gideon communication tower in an estimated amount not to exceed \$9,152 for the 9th year lease fee, and the authorization to make actual annual lease payments as appropriate for the remaining six years of the original fifteen year term, with two 5-year extension options in an estimated amount not to exceed \$60,000 for the first extension option, and \$70,000 for the second extension option, for a total estimated contract amount not to exceed \$265,000.

Amount and Source of Funding

Funding in the amount of \$9,152 is available in the Fiscal Year 2011-2012 Financial and Administrative Services Department, Wireless Services Division Operating Budget. 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.

Prior Council
Action:For More
Information:

Wilbur Jones, Buyer I, 972-4013

Boards and
Commission
Action:

MBE / WBE:

This requirements service contract 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.

Related Items:



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 Bastrop, TX. This equipment is critical to the Regional Radio System coverage in Southeast Travis County used for communications by all City Public Safety vehicles, other City department vehicles, and other city, county, state, and federal departments and school districts located in Travis County and the seven surrounding counties.

This lease was issued as a sole source contract in 2004 with an initial annual payment of \$7,224. 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 9th year lease fee in an estimated amount of \$9,152, and the authorization to make actual annual lease payments as appropriate for the remaining six years of the original fifteen year term and enter into the two five-year extension options when appropriate, for a final estimated contract value of \$265,000.

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

Description	Year	Term	Amount
15-Year Lease Agreement	Year 1 Lease Fee	02/01/04 - 01/31/05	\$7,224.00
	Year 2 Lease Fee	02/01/05 - 01/31/06	\$7,440.72
	Year 3 Lease Fee	02/01/06 - 01/31/07	\$7,663.94
	Year 4 Lease Fee	02/01/07 - 01/31/08	\$7,893.85
	Year 5 Lease Fee	02/01/08 - 01/31/09	\$8,130.67
	Year 6 Lease Fee	02/01/09 - 01/31/10	\$8,374.60
	Year 7 Lease Fee	02/01/10 - 01/31/11	\$8,625.83
	Year 8 Lease Fee	02/01/11 - 01/31/12	\$8,884.61
Proposed Amendment No 1	Year 9 Lease Fee	02/01/12 - 01/31/13	\$9,151.15*
	Year 10 Lease Fee	02/01/13 - 01/31/14	\$9,425.68*
	Year 11 Lease Fee	02/01/14 - 01/31/15	\$ 9,708.45*
	Year 12 Lease Fee	02/01/15 - 01/31/16	\$9,999.71*
	Year 13 Lease Fee	02/01/16 - 01/31/17	\$10,299.70*
	Year 14 Lease Fee	02/01/17 - 01/31/18	\$10,608.69*
	Year 15 Lease Fee	02/01/18 - 01/31/19	\$10,926.95*

	Extension Option 1	02/01/19 - 01/31/24	\$60,000.00*	
	Year 16 – 20 Lease Fee			
	Extension Option 2	02/01/24 - 01/31/29	\$70,000.00*	
	Year 21 – 25 Lease Fee			
Annual fee for Year 9 thru Year 15 and the extension options have been indicated with an asterisk (*) and have been estimated using a 3% multiplier in each successive year. Actual annual fee will be invoiced by LCRA.				