

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

66122

Agenda Number

35.

Meeting Date:

February 2, 2017

Department:

Purchasing

Subject

Authorize negotiation and execution of a 12-month contract with RSM US, LLP, to provide compliance review services of economic development agreements, in an estimated amount of \$70,000, with four 12-month extension options in an estimated amount of \$70,000 per extension option, for a total contract amount not to exceed \$350,000.

Amount and Source of Funding

Funding in the amount of \$70,000 is available in the Fiscal Year 2016-2017 Operating Budget of the Economic Development Department. Funding for the remaining three months of the original contract period and the extension options are contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is not required.

Purchasing Language:

Professional Service

Prior Council Action:

For More Information:

Claudia Rodriquez, Senior Buyer, 512-974-3092

Boards and Commission Action:

Related Items:

MBE / WBE:

This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this procurement, there was insufficient subcontracting opportunities; therefore, no subcontracting goals were established.

Additional Backup Information

The contract will provide independent third party compliance reviews of Chapter 380 incentive agreements prior to issuance of payments. In accordance with Resolution No. 20071206-049 and Ordinance No. 20090312-005, the City's economic development agreements must be transparent, have compliance reviews that are verified by an independent third party, and the results are to be made available for public inspection.

The City currently has Chapter 380 agreements with eight companies. Most agreements have 10 year terms, but some have 20 year terms. Companies must meet the performance requirements during each year of the term in order to qualify for a Chapter 380 payment for that year.

The contractor has conducted third party independent reviews of Chapter 380 incentive agreements since 2007. The City and the contractor have developed efficiencies in the review process which minimize disruption to the companies under review while ensuring that the agreed upon procedures demonstrate whether each company with an active Chapter 380 agreement has complied with the terms of their agreement. The firm has valuable experience and knowledge regarding Austin's economic development program and agreements as well as the reporting requirements of Resolution No. 20071206-049 and Ordinance No. 20090312-005.

This contract is replacing an existing contract that expired on December 31, 2016. The authorization amounts were determined by allocating funding for the maximum number of Chapter 380 agreements which could take place in any given fiscal year. Some reviews occur on a rolling basis, where a company may submit a request for payment of two fiscal years and may elect to skip one year of review.

If the City is unable to secure this contract, the City's economic development agreements will not be reviewed by an experienced contractor which has developed efficient review process for the City and the company under review.

RSM US LLP				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	12	\$ 70,000	n/a	n/a
Extension Option 1	12	\$ 70,000	n/a	n/a
Extension Option 2	12	\$ 70,000	n/a	n/a
Extension Option 3	12	\$ 70,000	n/a	n/a
Extension Option 4	12	\$ 70,000	n/a	n/a
TOTAL	60	\$ 350,000	\$ -	\$ -