



**Purchasing Service Agreement
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 36
AGENDA DATE: Thu 01/26/2006
PAGE: 1 of 2**

SUBJECT: Authorize negotiation and execution of a 10-year service agreement with GENE BAGWELL dba INTERCARE CORPORATION, San Marcos, TX, for operation and maintenance of City cemeteries in an estimated amount not to exceed \$651,230, with two 5-year extension options in an amount not to exceed \$325,615 per extension option, for a total agreement amount not to exceed \$1,302,460.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$65,123 is available in the Fiscal Year 2005-2006 Approved Operating Budget of the Parks and Recreation Department. Funding for the remaining nine 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.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT:for Parks and Recreation; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Stephen T. Aden, Supervising Senior Buyer/974-2021; Jay Stone, Financial Manager/974-6712

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Only proposal received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 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.

This contract is for the management and operation of City owned cemeteries by Gene Bagwell dba InterCare Corporation. The City owns five cemeteries: Austin Memorial Park, Evergreen, Oakwood, Oakwood Annex, and Plummers. The contractor's responsibilities under this agreement will include administration, burial plot sales, burial services, and continuous grounds maintenance.

InterCare Corporation is the current contractor and has provided these services successfully to the City of Austin for the past 15 years. Over the last 15 years, the net cost to the City, after offsetting revenue from the sales of plots and burial services, has averaged approximately \$11,000 while under contract. The cost of these services under the new contract is approximately \$65,000 per year.

This increase in costs can be attributed both to the increase in labor costs and the increase in machinery fuel costs over the previous 15 years. Under the previous contract, InterCare paid its employees at or slightly above minimum wage. The City now includes a requirement in all service contracts for contractors to pay a living wage. As a result of the living wage requirement, the average hourly rate is increased by approximately \$2.10 per hour for 11 InterCare employees. The estimated increase per year is \$48,000. The remaining increase is attributed to fuel costs to operate machinery such as front end loaders and bobcats.



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Expenditures include the cost for maintenance, administration, plot sales and burial services. These expenditures are offset by revenues generated from the sale of plots and burial services that are based on the Fiscal Year 2005-2006 Fee Schedule approved by Council.

The projected costs to the City for these services are based upon the 10 year estimates listed below:

Total Estimated Expenditures: \$12,507,580
Total Estimated Revenues: \$11,856,350
Total 10 Year Est. Cost to the City: \$ 651,230

MBE/WBE Solicited: 0/0

MBE/WBE Bid: 0/0

**RFP No. SA05300054
PROPOSAL ANALYSIS**

- a. Only proposal received. InterCare Corporation is the current provider of these services.
- b. InterCare Corporation is the only firm registered with the City to receive bids for cemetery services. Three other firms requested a copy of the solicitation as a result of the newspaper advertisement and internet. A proposal conference was held and only two firms attended, InterCare Corp. and Suhor, a firm from San Antonio. InterCare was the only attendee who submitted a proposal. There are no known MBE/WBE firms listed under this commodity code. One proposal was received.

APPROVAL JUSTIFICATION

- a. The proposal submitted by the recommended firm met the requirements of the solicitation.
- b. The Parks and Recreation Department concurs with this recommendation.
- c. Advertised in the Austin American-Statesman and on the Internet.