



**BRIEFING ON THE
DRAFT RESTATED AGREEMENT
FOR AUSTIN
MUNICIPAL CEMETERY OPERATIONS**

What's the purpose of tonight's public input session?



- The restatement process is the result of an audit finding released to the Austin City Council last June, 2010
- PARD/Purchasing/Legal Departments have been working with InterCare to restate the current agreement for cemetery operations
- Staff has prepared a draft restated agreement and wish to get public comment on the changes to the agreement

Who authorized the restatement process?



- This process was authorized by mutual agreement of the PARD and Purchasing Departments in response to an audit finding that identified issues regarding clarity of the current agreement.
- This process also required the participation and agreement of InterCare Corporation on changes to the agreement

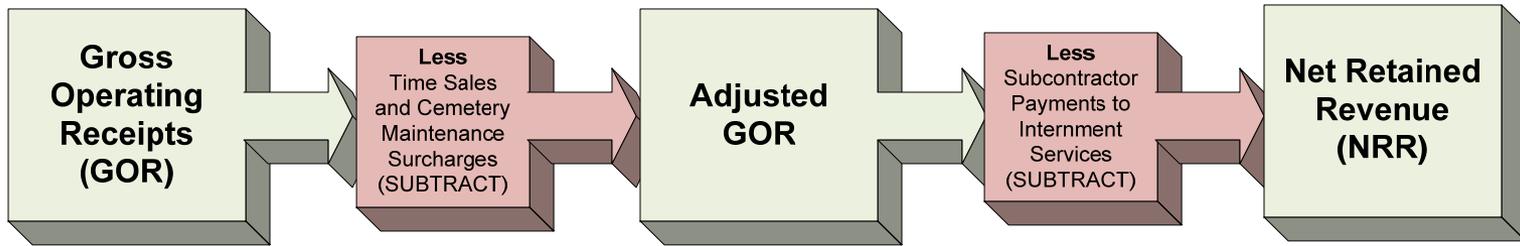
How is InterCare paid?



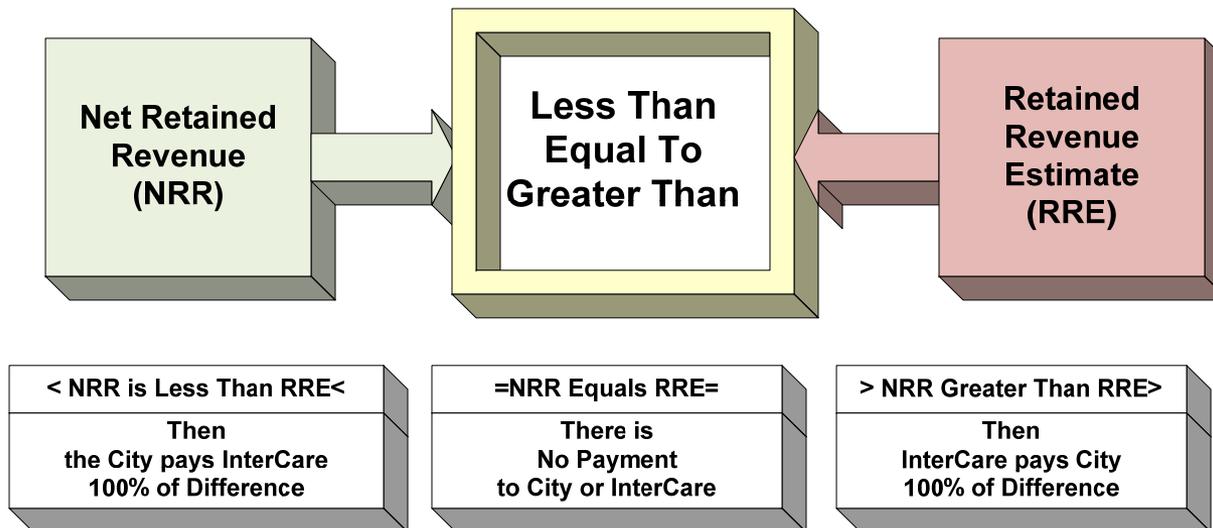
- **InterCare receives all revenue from cemetery operations and pays for its expenses from these revenues**
- **At the end of the fiscal year, any excess revenue is remitted to the city, any deficit to the Retained Revenue Estimate is paid by the City to InterCare**

Cemetery Operations Fees and Payment Formula

Formula to Determine Net Retained Revenue



InterCare Pays Cemetery Operations from Net Retained Revenue



How did the costs of the contract go from \$651,230 in 2006 to \$41 Million in 2011?



- The current contract lists an estimated payment to InterCare of \$651,230. This was the anticipated amount that the City and InterCare determined as the difference in revenues less expenses that the city would pay for initial 10 year term.
- As of 2010, the City has received a net of \$209,190 for the five years to date.
- Corporate Purchasing is now requiring that the total maximum expense that the City **could experience** be listed as the contract value.

Comparison of Estimated Costs Detail

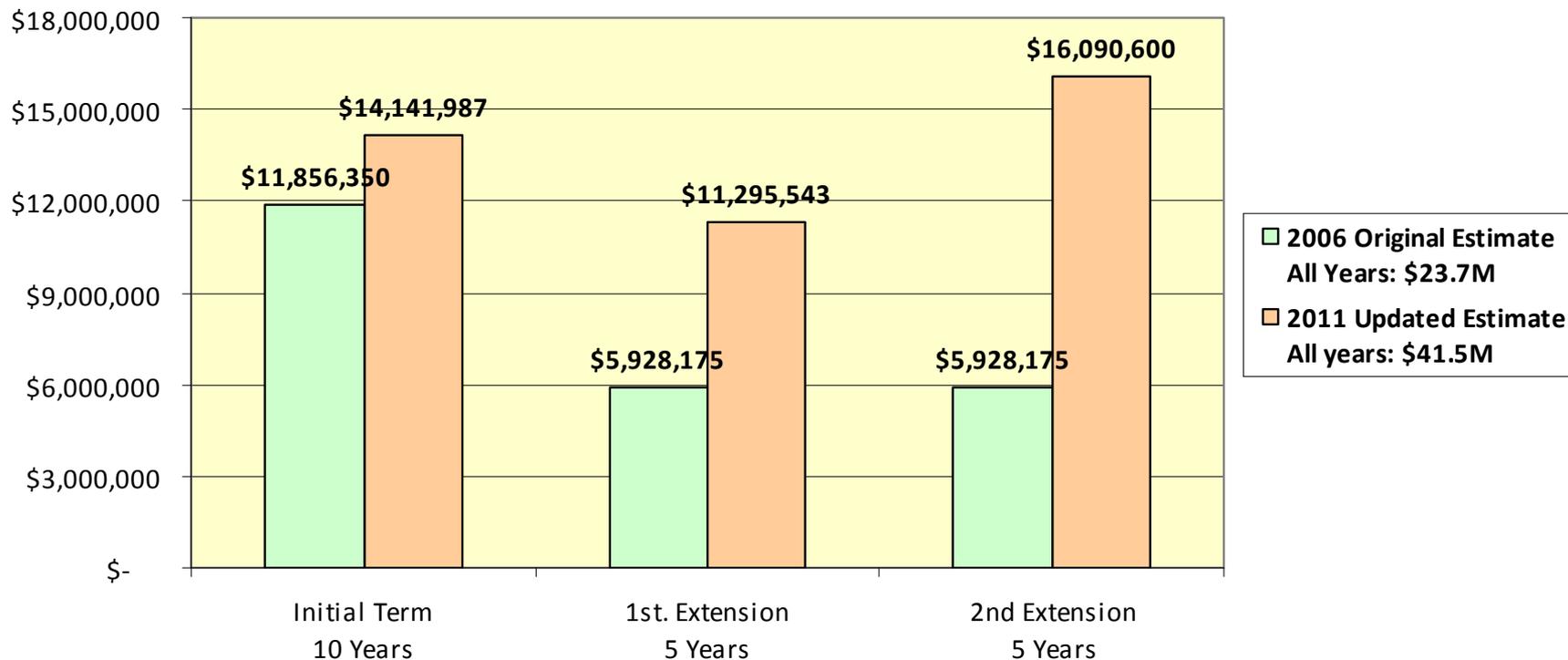


2006 Estimate	Initial Term	1st. Extension	2nd Extension	Total
Total Est. Expenditures	\$ 12,507,580	\$ 6,253,790	\$ 6,253,790	\$ 25,015,160
2006 Est. Revenues	11,856,350	5,928,175	5,928,175	23,712,700
Est. Cost to City	\$ 651,230	\$ 325,615	\$ 325,615	\$ 1,302,460
2011 Estimate				
Total Est. Expenditures	-	-	-	-
2011 Est. Revenues	\$ 14,141,987	\$ 11,295,543	\$ 16,090,600	\$ 41,528,130

Comparison of Total Estimated Costs



Cemetery Contract Revenue Comparison



What HAS NOT Changed in the Restated Agreement?



- The major business terms remain the same
- There is no change to the length of term or the financial terms
- The major responsibilities of InterCare:
 - Administrative and daily operational needs
 - Sales and recording of cemetery lot sales
 - Internments, and site maintenance

What HAS NOT Changed in the Restated Agreement?



- The major responsibilities of the City:
 - Major facility and site infrastructure
 - buildings, streets and irrigation systems.
 - Cemetery monitoring and contract enforcement
 - PARD Contract Compliance Manager is the City's Lead Point
 - Master Planning and Community Participation

What HAS changed in the Restated Agreement?



- **Contract Documents**
 - Current agreement comprised of one contract, exhibits and 3 recognized attachments
 - Restated agreement is one contract and exhibits
- **Scope of Work**
 - Current agreement identifies maintenance responsibilities in scope of work and reference to exhibit with 4 modes of service
 - Restated agreement includes all defined maintenance work in the scope of work only

What HAS changed in the Restated Agreement?



- **Watering**

- Current Agreement places operational and financial responsibility for watering on InterCare
- Restated agreement includes specific requirements to comply with City's water conservation and drought restrictions, create a watering plan and begin using drought resistant turf
- Limits InterCare's financial responsibility for watering to the first \$50,000. Additional watering above this amount requires city approval. This amount is indexed to the CPI.

What HAS changed in the Restated Agreement?



- **Turf Maintenance**

- Current Agreement requires mowing every 14 days with 3"- 4"inch height limit
- Restated Agreement requires mowing every 7-14 days, eliminates height limit, adds twice a year turf aerification and re-seeding or re-sodding non-shade bare spots

- **Tree Maintenance**

- Current agreement requires tree trimming and pruning as dictated by species, once per year
- Restate agreement requires tree trimming and pruning from ground up to 8 feet, at least twice per year using industry standards

- **Customer Complaint Process**

- Current agreement does not specifically define public complaint process
- Restated Agreement define use of City's 311 system as standard for public intake and complaint processing

Cemetery Watering



- **How do we improve cemetery watering?**

- For the past 3 years, InterCare has averaged \$86,000 in expenses for watering all irrigated cemeteries
- PARD and InterCare have agreed to work together to develop a watering plan to sustain turf given current watering restrictions and drought conditions
- Future use of drought tolerant turfs and vegetation as part of updated policies and procedures

Who is responsible for sunken graves and tilted monuments?



- InterCare is still responsible for ensuring that all graves, regardless of age, are at grade and not sunken.
- The city will continue to inspect and inform InterCare of graves or areas where attention is required
- InterCare, with approval from staff, will level and stabilize monuments that pose a public safety threat and in compliance with Sec. 713.011 of the Texas Health and Safety Code

When will all the dead trees be removed?



- The City is responsible for the removal of all large trees that have been identified as dead or safety issues and permitted for removal.
- During the month of May, 2010, the PARD Forestry Division removed 30 of the dead and permitted trees from Oakwood and Oakwood Annex cemeteries
- There are still a number of trees remaining at Austin Memorial Park, Evergreen, Oakwood, and Oakwood Annex cemeteries that need to be removed.
- Contingent on available funding and PARD resources, we will work with InterCare manage and remove dead or dying trees as quickly as possible.

How is City to manage and enforce this contract?



- PARD now has a dedicated contract management division
- The Contract Compliance Manager is the lead on the cemetery agreement enforcement
- A PARD contract specialist inspects all cemeteries at least every two weeks and creates an inspection report
- PARD contract specialist also responds to all complaints via 311, email or phone

What are the next steps?



- PARD staff will receive your comments tonight, via email and in writing
- PARD will compile a list of public contract recommendations and present these internally for review
- Any recommendation that is determined to improve the restated agreement will be included in a updated draft to be reviewed by the City and InterCare
- A final restated draft will be updated and released to the public for public comment
- This final restated draft will be submitted to the City Council for review and action, including other contract options

How do I stay informed?



- **PARD has created a website for the public to stay informed of current cemetery issues. The website address is:
www.ci.austin.tx.us/parks/cemeteries**
- **We also encourage the public to email us with comments or suggestions to
cemeteries@ci.austin.tx.us**