

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting: November 15, 2018

Item Number: 036

## Purchasing Office

Authorize an amendment to an existing contract with Interment Services, Inc., for continued interment and burial services at city cemeteries, to increase the amount by \$4,650,000 and to extend the term for up to five years, for a total revised contract amount not to exceed \$8,584,000. (Note: This contract amendment will be awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program).

<b>Lead Department</b>	Purchasing Office.
<b>Fiscal Note</b>	Funding in the amount of \$852,500 is available in the Fiscal Year 2018-2019 Operating Budget of the Parks and Recreation Department. Funding for the remaining contract term is contingent upon available funding in future budgets.
<b>Purchasing Language</b>	Contract Amendment.
<b>Prior Council Action</b>	June 27, 2013 - Council approved the initial contract term, item 48, on a 7-0 vote with direction to return to Council for approval of the extension options.
<b>For More Information</b>	Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or <a href="mailto:AgendaOffice@austintexas.gov">AgendaOffice@austintexas.gov</a> or to the buyer, Marian Moore, at 512-974-2062 or <a href="mailto:Marian.Moore@austintexas.gov">Marian.Moore@austintexas.gov</a> .
<b>Council Committee,</b>	October 23, 2018 - Disapproved by the Parks and Recreation Board on

<b>Boards and Commission Action</b>	a 4-2 vote, with Board Members Farasat, Mann, DePalma, Cofer, and Casias absent.
<b>Client Department(s)</b>	Parks and Recreation Department.

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### **Additional Backup Information:**

The contract will provide for continued interment and burial services at five Austin cemeteries: Oakwood Cemetery, Oakwood Annex Cemetery, Evergreen Cemetery, Austin Memorial Cemetery, and Plummers Cemetery. The contractor has successfully performed these services for the City since 1990 and has considerable experience in similarly high-volume cemeteries throughout Texas.

This contract with Interment Services, Inc. was approved by Council in 2013, with the direction to return to Council for approval of contract extension options. The current contract expires November 28, 2018 and has two additional five year extension option terms remaining. Staff estimates the need to outsource these services for only three more years so instead of extending one full five year term, staff is requesting a three year term with the option of two additional one year terms; only if necessary.

The Parks and Recreation Department plans to transition all burial and interment services to City personnel within the next few years. This amendment to the current contract is needed to allow time to budget for staff and equipment, hire staff and procure equipment, and train newly hired staff to assume these responsibilities.

The original solicitation included the following MBE/WBE goals: 10.16% MBE and 4.12% WBE. The MBE/WBE goals were initially based on the scopes of work initially developed and sought by the Parks and Recreation department for this contract. The contractor elected to bid on only select portions and not all scopes of the solicitation. The contract that was awarded was for only a portion of the originally solicited scopes of work which included burials, interments, and monument settings. The proposed amendment will further reduce the scopes with the removal of monument setting requirements from the contractor's responsibilities. These narrower contracted scopes do not allow for the contractor to meet the established goals. The Small and Minority Business Resources Department continues to work with the Parks and Recreation Department to continue to monitor this contract and continues to work with the contractor to identify other potential subcontracting opportunities for the proposed contract amendment.

A solicitation was issued to replace the existing contract on June 11, 2018 and closed on July 3, 2018, however no offers were submitted. If the City is unable to extend the current contract, the City risks incurring increased costs due to the limited number of capable providers. An extension of the current contract would provide continuity of services and an opportunity for the current vendor to provide services until such time that City staff is able to assume all tasks associated with interment and burial

services.

**Contract Detail:**

<b><u>Contract Term</u></b>	<b><u>Length of Term</u></b>	<b><u>Current Contract Authorization</u></b>	<b><u>Requested Additional Authorization</u></b>	<b><u>Revised Total Authorization</u></b>
Initial Term	5 yrs.	\$3,934,000		\$3,934,000
Administrative Increase	3 months	\$ 59,000		\$ 59,000
Proposed Amendment	5 yrs.		\$4,650,000	\$4,650,000
<b>TOTALS</b>	<b>10 yrs., 3 mon.</b>	<b>\$3,934,000</b>	<b>\$4,650,000</b>	<b>\$8,584,000</b>

**Note:** Contract Authorization amounts are based on the City's estimated annual usage