



BRIEFING OF RESTATED DRAFT AGREEMENT FOR CITY OF AUSTIN CEMETERY OPERATIONS

Parks and Recreation Board
July 26, 2011

What's the status of cemetery operations and the restatement effort?

- PARD/Purchasing/Legal Departments have been working with InterCare to restate the current agreement for operation of the five city cemeteries
- The restatement process is the result of an audit finding released to the Austin City Council last June, 2010
- Staff released the first draft restated agreement on June 14, 2011 for public review and comment

What's the status of cemetery operations and the restatement effort?

- PARD hosted a public information session on June 28, 2011 to obtain public comments and concerns
- PARD will continue to accept public comments and concerns through July 28, 2011
- PARD/Corporate Purchasing/Legal will review comments, concerns and recommendations for possible inclusion to the draft restated agreement
- PARD and InterCare will mutually review and agree to any additional changes

What's the status of cemetery operations and the restatement effort?

- The Final draft will be presented to the public for final review and comments: August 2011
- Final draft to be submitted for review and action by City Council: September 2011
- As a result, PARD has committed additional resources to current operations and contractor oversight
 - Customers now have use of the City's 311 system to submit their complaints and/or requests for assistance
 - Scheduled inspections and follow-up

Why restate the current agreement?



- This process was implemented by mutual agreement of the PARD and Purchasing Departments, with support from the City Attorney's Office, in response to an audit finding recommending PARD "identify necessary amendments to the cemetery contract to clarify contractual terms and responsibilities of each of the contracting parties"
- This process also requires InterCare's participation and agreement on revisions to the current agreement

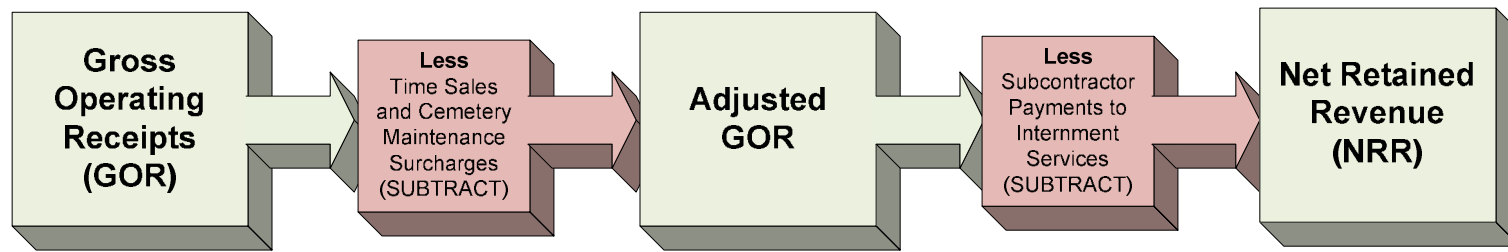
How is InterCare paid?



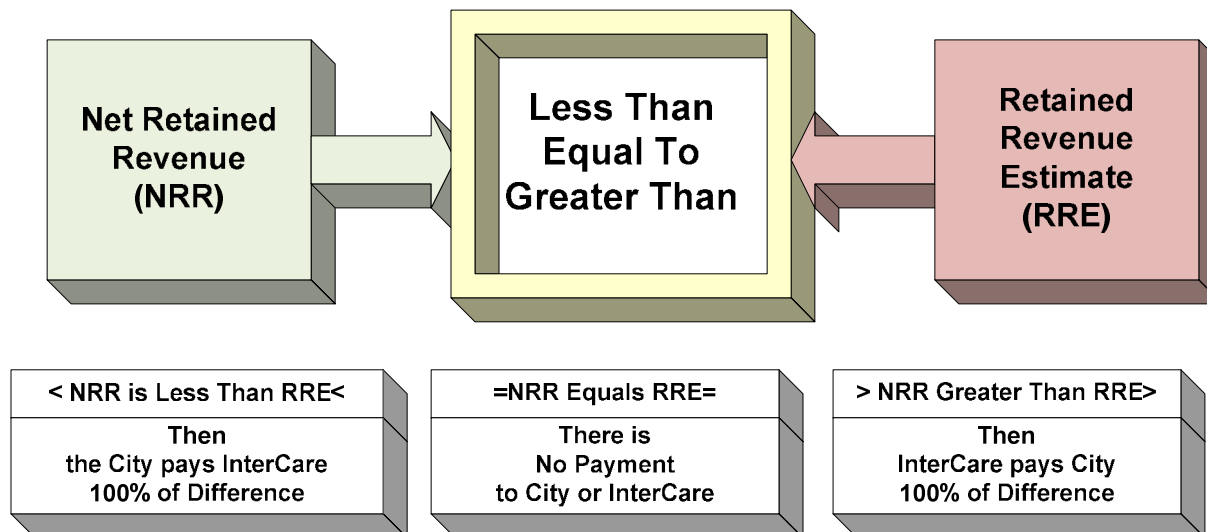
- InterCare receives all revenue from cemetery operations and uses these revenues for payment toward its expenses
- At the end of the fiscal year, any excess revenue is remitted by InterCare to the City, and any deficit to the Retained Revenue Estimate is paid by the City to InterCare
- Annual Cemetery Revenues are approximately \$1.3M

Cemetery Operations Fees and Payment Formula

Formula to Determine Net Retained Revenue



InterCare Pays Cemetery Operations from Net Retained Revenue



How did the value of the contract change?

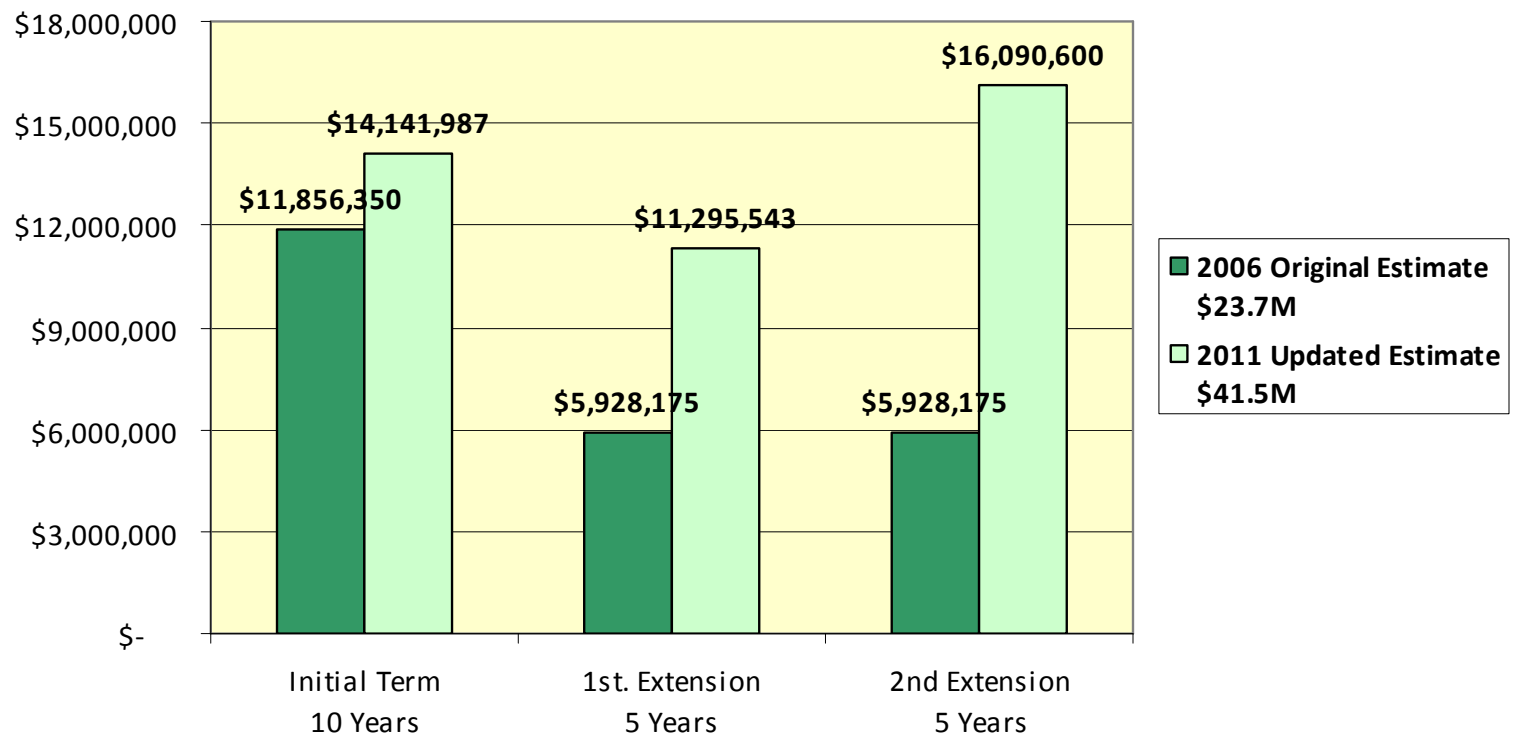


- The current contract lists an estimated payment to InterCare of \$651,230. This was the anticipated amount that the City and InterCare determined as the difference in revenues less expenses that the city would pay InterCare for the initial 10 year term
- As of 2010, the City has received a net of \$209,190 from InterCare for the past five years
- City Charter requires staff to present the total maximum expense that the City **could experience** and **list it** as the contract value

Comparison of Total Contract Term Estimated Revenues



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 the contract term or the financial terms
- The major responsibilities of InterCare include:
 - 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 include:
 - 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 of Contact
 - Master Planning and Community Participation

What HAS changed in the Restated Agreement?



- **Contract Documents**
 - Current agreement is comprised of one (1) contract, exhibits, and three (3) recognized attachments
 - Restated agreement is one (1) contract and exhibits
- **Scope of Work**
 - Current agreement identifies maintenance responsibilities in scope of work and makes 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: InterCare is responsible for operational and financial watering
- Restated agreement: Includes specific requirements in compliance with the City's water conservation and drought restrictions, (i.e., create a watering plan and begin using drought resistant turf), and
- Limits InterCare's financial responsibility for watering up to \$50,000. Additional watering costs above this amount will require PARD approval. This amount is indexed to the CPI

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 responsible watering plan to sustain turf given current watering restrictions, drought conditions and financial capacity
- Future use of drought tolerant turfs and vegetation will be part of the updated policies and procedures

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 defines use of the City's 311 system as the standard procedure for public intake and complaint processing

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 PARD staff approval, will level and stabilize monuments that pose a public safety threat and to bring into compliance with Sec. 713.011 of the Texas Health and Safety Code

What is the status of tree maintenance?



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

Estimated Comprehensive Cemetery Tree Maintenance



Year 1: Start-up

	Property	Approx # Trees	Initial Inventory	Pruning 75% of pop	Planting 1% of tree pop/yr	Removal current est	Total
CM1	Austin Memorial Park	2064	\$4,128.00	\$293,855.29	\$13,416.00	\$2,997.30	\$314,396.59
CM2	Oakwood & Oakwood Annex	1379	\$2,758.00	\$196,330.64	\$8,963.50	\$200,000.00	\$408,052.14
CM3	Evergreen	720	\$1,440.00	\$102,507.66	\$4,680.00	\$1,498.65	\$110,126.31
CM4	Plummers	192	\$384.00	\$27,335.38	\$1,248.00	\$1,498.65	\$30,466.03
		Total	\$8,710.00	\$620,028.97	\$28,307.50	\$205,994.60	\$863,041.07

Year 2+ 7 year maintenance cycle

	Property	Approx # Trees	Inspection 5 yr cycle	Pruning 7 yr cycle	Planting 5% of tree pop/yr	Removal 5% of tree pop/yr	Total
CM1	Austin Memorial Park	2064	\$5,457.22	\$55,972.44	\$67,080.00	\$30,932.14	\$159,441.79
CM2	Oakwood & Oakwood Annex	1379	\$3,646.08	\$37,396.31	\$44,817.50	\$20,666.38	\$106,526.27
CM3	Evergreen	720	\$1,903.68	\$19,525.27	\$23,400.00	\$10,790.28	\$55,619.23
CM4	Plummers	192	\$507.65	\$5,206.74	\$6,240.00	\$2,877.41	\$14,831.79
		Total	\$11,514.62	\$118,100.76	\$141,537.50	\$65,266.21	\$336,419.08

How is PARD to manage and enforce this contract?



- PARD's Financial Services Division now has a dedicated Contract Management Unit
- The Contract Compliance Manager serves as the lead in enforcing the Cemetery Restated Agreement
- A PARD Contract Specialist is responsible for monitoring all cemeteries every two weeks and produces a contract compliance report
- The Contract Specialist is also responsible for responding to all the cemetery complaints submitted through the City's 311, email or phone in a professional and expedient manner