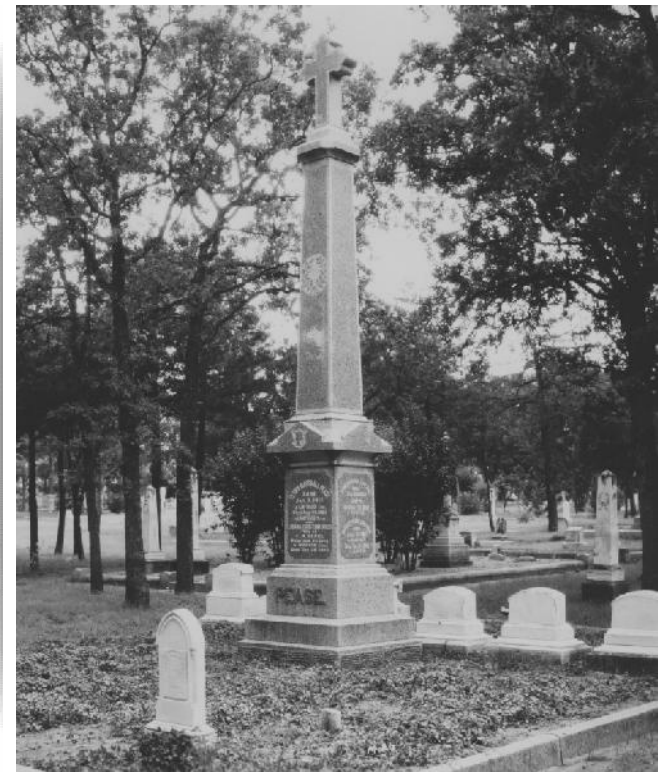


CITY OF AUSTIN CEMETERY OPERATIONS BRIEFING

Parks and Recreation Board
Agenda Item
October 25, 2011



What is the status of the cemetery operations and Restated Agreement process?

- The restated agreement is the result of an audit recommendation released to City Council in June, 2010
 - The restatement effort means to identify all elements that constitute the contract and clarify contractual terms and responsibilities of the contracting parties
- PARD hosted a series of public information sessions on:
 - August 24, 2010
 - April 27, 2011
 - June 30, 2011
 - October 19, 2011
- Staff reviewed and incorporated changes to the restated agreement submitted by the general public and city staff



What is the status of the cemetery operations and Restated Agreement process?

- Updated draft of the restated agreement was released to the public October 21, 2011 on the PARD Cemetery website
- Updated draft presented to PARD Board on October 25, 2011
- Final draft to be presented to PARD Board for review and recommendation on December 6, 2011
- Final draft and recommendation is scheduled for City Council consideration on December 15, 2011



Highlights of the Proposed Restated Agreement

1. The City of Austin (City) and InterCare agree to the following key enhanced site management terms and conditions mutually agreed to in the restatement process:
 - Establish annual monument assessments and re-leveling standards
 - InterCare will be responsible for damage caused by contractor and sub-contractors
 - City and InterCare will worked together to establish turf and tree maintenance standards and will draft a City approved watering plan



Highlights of the Proposed Restated Agreement

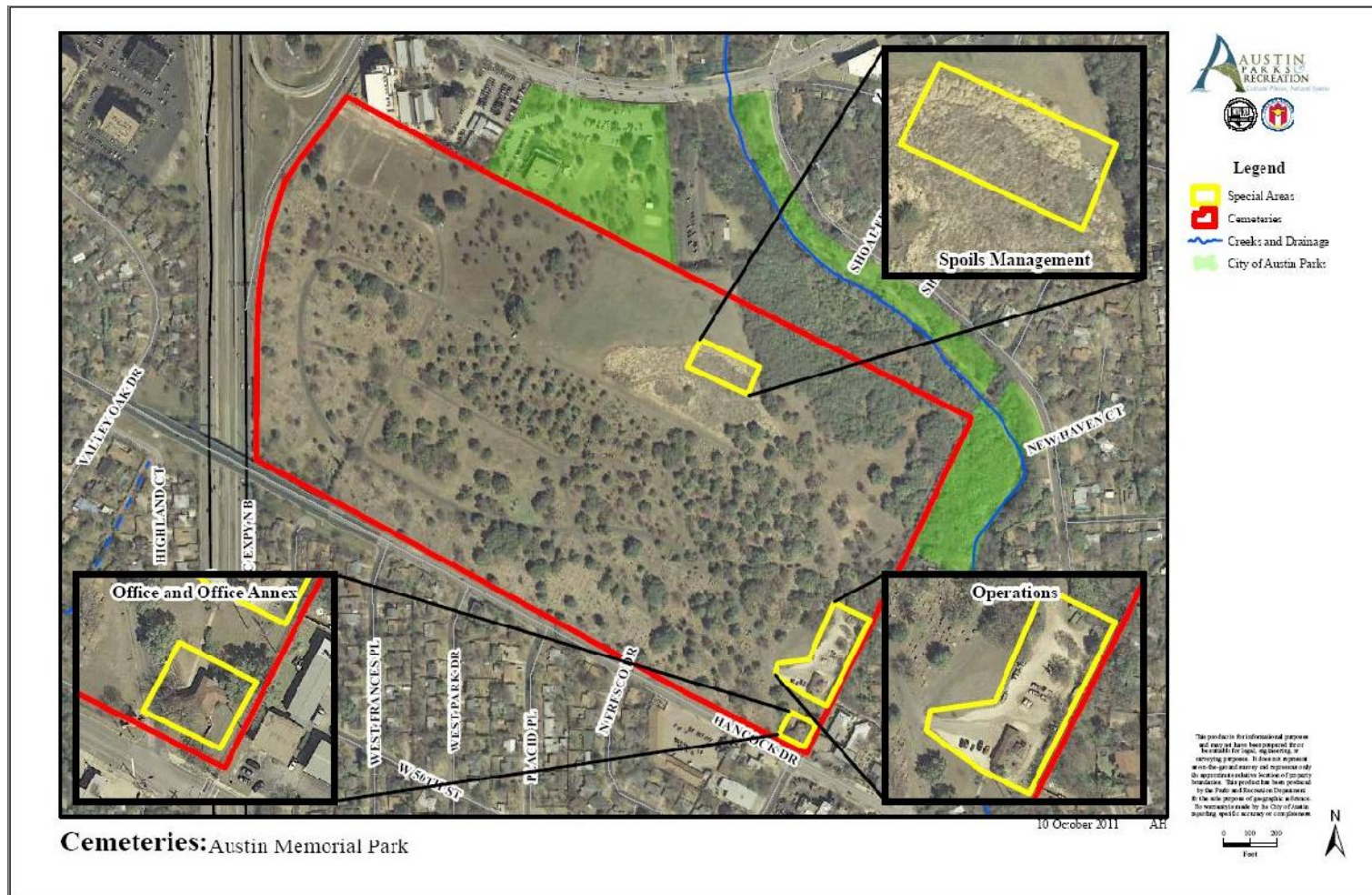
(cont'd)

2. PARD continues on-site monitoring and inspections with enhanced inspection reports and schedules
 - All operating terms of the agreement are now included in the semi-monthly inspections
3. Provides additional opportunities for public involvement and to receive comments/feedback
 - Quarterly public input forums that began in 2010
 - Use of 311 Call Center and input tracking



Highlights of the Proposed Restated Agreement

Defined use area maps are now part of the agreement



Cemetery Revenue and Expenses Summary

	2006	2007	2008	2009	2010	Total
Revenue *						
Gross Operating Revenue	\$ 1,189,469	\$ 1,365,417	\$ 1,353,284	\$ 1,202,936	\$ 1,353,956	\$ 6,465,062
Less Subcontractor Payments	324,083	344,856	371,216	324,892	389,204	1,754,251
Net Retained Revenue	\$ 865,386	\$ 1,020,561	\$ 982,068	\$ 878,044	\$ 964,752	\$ 4,710,811
Expenses *						
Expenses w/ Adjustments	\$ 758,729	\$ 896,921	\$ 959,570	\$ 926,327	\$ 960,074	\$ 4,501,621
Profit /(Loss)	\$ 106,657	\$ 123,641	\$ 22,497	\$ (48,282)	\$ 4,678	\$ 209,190

* Audited by independent 3rd party audit firm



Four Proposed Options for Cemetery Operations

1. Move forward and complete the current restatement effort
2. Terminate current Agreement without cause and issue a Request for Proposals (RFP) to contract for all or part of the cemetery operations
3. Terminate current Agreement without cause and the City assumes operations of all, or part, of the cemetery operations
4. City issues a Request for Interest while continuing current operations



Cemetery Option No. 1

1. Move forward and complete the current restatement effort

- Continue the efforts of the City and InterCare to comply with the audit findings, and submit a restated agreement for review and approval by City Council
- Remaining with the current agreement provides continued service through Sept. 2016 with established processes
- Continuing with the current agreement will allow the City to complete a Cemetery Master Plan and incorporate any recommendations into a new Request for Proposals by 2015
- Continuing with the current agreement will allow development of a comprehensive scope of work for a future RFP that includes more specific operating requirements
- The current agreement allows the City to further manage contractor with enhanced performance monitoring



Cemetery Option No. 2

2. Terminate current Agreement without cause and issue a Request for Proposals (RFP) to contract for service all or part of the cemetery operations
 - Major cemetery functions include: maintenance, internments and related services, administration, and sales
 - Requires 6 month notice by the City to terminate agreement
 - Draft RFP Scope of Work: complete process within 6 months
 - City required to remit liquidated damages of approximately \$86,125 plus any earned expenses and management costs
 - City may be required to assume all or partial operations until an operator is contracted for services. No general fund participation is budgeted



Cemetery Option No. 3

3. Terminate current Agreement without cause and the City assumes operations of all, or part, of the cemetery operations

- Major cemetery functions include: maintenance, internments and related services, administration, and sales
- Will require a 6 (six) month notice by the City to terminate current agreement and begin transfer of operations
- City is required to remit liquidated damages as per agreement of approximately \$86,125 plus any earned expenses and management costs
- Estimated operating costs for the first full year (unbudgeted):

Admin & Operating Expenses (21.50 FTE's)	\$2,035,621
<u>Capital Equipment Acquisition</u>	<u>963,100</u>
Total	\$2,998,721



Cemetery Option No. 4

4. City issues a Request for Interest while continuing current operations
 - City council may or may not approve the restated agreement
 - City continues efforts to comply with the audit findings using existing terms and conditions
 - City drafts a new scope of work and releases RFI. Based on RFI responses, City may initiate RFP process and give notice of intent to terminate without cause to Intercare and schedule transition
 - Remaining with current agreement will provide continuity of service through Sept 2016, or until a new contract is selected
 - City may incorporate Cemetery Master Plan recommendations into any new Request for Proposals submitted by 2016



Staff Recommendation

The department's recommendation for the Parks and Recreation Board (PARB) is to consider and approve proposed option #4:

“City issues a Request for Interest while continuing current operations”

