



Legislation Text

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A Resolution Approving the First Amendment to the Service Level Agreement between the City of Colorado Springs and El Paso County for Facilities Maintenance Services

Presenter:

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Summary:

The City has an Intergovernmental Agreement (IGA) and related Service Level Agreement (SLA) with El Paso County (the County) under which the County provides the City facilities maintenance services (see Attachment 1). Modifications to the SLA resulting in a cost increase of more than three percent (3%) require Council approval. The attached resolution approves a modification to the SLA and authorizes the Mayor to execute the amendment to the SLA.

Previous Council Action:

City Council approved the original IGA and SLA in November 2009 (Resolution No. 255-09). In January 2011, Council approved renewal of the IGA and SLA (Resolution No. 7-11) and authorized the Mayor to extend or terminate the IGA for the remaining term of the IGA. City Council approved the 2015 IGA and SLA in October 2014 (Resolution No. 103-14).

As requested at the City Council Work Session on March 7, 2016, Section 3C of the SLA has been revised from "Material Handling Fee" to "Program Management Fee."

Background:

Prior to 2010, facilities maintenance services for the City were provided by Colorado Springs Utilities (Utilities). In 2009, Utilities requested an increase in fees for services to be provided in 2010 with the total for services costing \$1.2 million per year. At that time, the City was exploring opportunities for shared services so the City requested an offer from the County. The County's offer was a savings of approximately 30%, so the City entered into an IGA and SLA with the County. The 2010 SLA provided for four additional annual term extensions commencing January 1, 2011, and all four extensions were exercised. In January 2011, Council approved renewal of the IGA and SLA and authorized the Mayor to extend or terminate the IGA for the remaining term of the IGA. In the fall of 2014, a new SLA was negotiated and executed, dated November 4, 2014, with a term of January 1, 2015 through December 31, 2015, with four (4) additional one (1)-year terms. Council approved the 2015 IGA by Resolution No. 103-14. The current 2015 IGA authorizes the Mayor to execute all extensions of the IGA and SLA and any minor modifications to the SLA. However any adjustments or modifications to the SLA that result in cost increases in excess of three percent (3%) require approval of the governing bodies of the City and the County, respectively.

The County has requested that a four percent (4%) program management fee be added to the SLA to

cover its costs associated with providing services to the City. In addition, the City has added two facilities to the SLA: Golf Acres and Fire Station 22. The resulting cost increase will be more than three percent (3%) over the cost for services in 2015. As such City Council approval is required.

The proposed Resolution approves a modification to the SLA and authorizes the Mayor to execute the amendment to the SLA. A copy of the proposed First Amendment to and Extension of the El Paso County Public Services Department 2015 Service Level Agreement for the City of Colorado Springs Municipal Operation is attached to the Resolution as Exhibit 1.

This item supports the City's strategic goal relating to building community and collaborative relationship. The City and County have an excellent partnership and work collaboratively in numerous areas, including facility maintenance.

Financial Implications:

Under the terms of the SLA amendment, the 2016 fixed cost to the General Fund for facilities maintenance services will be \$1,059,714. The 2016 Budget contains \$1,000,000 for facilities maintenance services and the additional amount can be accommodated within the total Finance Department budget.

Board/Commission Recommendation:

N/A

Stakeholder Process:

City and County staff have had many discussions leading up to the proposed amendment.

Alternatives:

If City Council chooses not to approve the proposed resolution, the City will be required to explore other options for maintenance of City facilities, including the options of hiring staff and purchasing the necessary equipment to form a new City Facilities Management Division or soliciting bids for services from other providers.

Proposed Motion:

Move approval of the Resolution Approving the First Amendment to the Service Level Agreement between the City of Colorado Springs and El Paso County for Facilities Maintenance Services.

N/A