



MEMO TO: John Marchione, City Mayor
Members of the Council

FROM: Craig Larson, Parks and Recreation Director *D.T. (Acting Director)*
Mike Bailey, Finance and Information Services Director *[Signature]*

DATE: June 19, 2012

SUBJECT: **STAFF REPORT: INSTRUCTIONAL SERVICES AGREEMENTS
CONTAINING COST RECOVERY COMPONENT**

I. PURPOSE:

To provide information regarding staff's request to seek Council approval to delegate signing authority to the Mayor to approve instructional service agreements over \$25,000, which contain a cost-recovery component.

II. DEPARTMENT CONTACTS:

Craig Larson, Parks and Recreation Director	425-556-2310
Mark Hickok, Acting Recreation Division Manager	425-556-2356
Mike Bailey, Finance and Information Services Director	425-556-2160
Connie Allen, Purchasing Manager	425-556-2159

III. BACKGROUND:

The Parks and Recreation Department offers hundreds of classes and programs to thousands of citizens. The majority of the programs are externally contracted to a mixture of local businesses, non-profits, and skilled professionals who have a specific skill set and educational expertise.

Instructional Services agreements originating in the Parks and Recreation Division are unique; they range from single one-day programs with expenditures of under \$1,000 to multi-year agreements for hundreds of classes with expenditures up to, and in a few cases exceeding \$75,000. These agreements are paid out of the Recreation Activity Fund and typically recover 120% - 145% in revenue.

At the December 6, 2011, council meeting, staff brought forward six specific agreements that exceeded the \$25,000 limit for ratification. At that time, the Council instructed staff to revisit this situation and to recommend an alternate solution for 2012. In April 2012

staff held discussions with members of the Public Administration and Finance Committee and recommended the Council consider revising the Mayor's contract signing limits for these specific types of agreements.

Because of the unique cost-recovery nature of these contracts, staff is requesting that the Council delegate signing authority to the Mayor or his designee to approve instructional service agreements over \$25,000 if they have at least 100% cost recovery.

IV. NEXT STEPS:

Staff will bring forward a resolution that would amend Section 3 of Resolution No. 1344 in order to remove the \$25,000 limit from the Mayor's authority to sign Instructional Services Agreements containing a cost-recovery component. Additionally, staff will bring forth for Council ratification, any current Instructional Services Agreements that are nearing or may have exceeded the \$25,000 limit for 2012.

V. LIST OF ATTACHMENTS:

None.