

## **CITY COUNCIL AGENDA MEMORANDUM**

### **SUBJECT**

Ordinance No. 6270 to: 1) increase the NW Teambuilding contract from \$440,000 to \$1,080,000 through 2017; and 2) amend the 2016 General Fund budget to recognize \$220,000 in increased expenses, which are fully recovered by the Bellevue Zip Tour operated by NW Teambuilding at Eastgate Park.

### **FISCAL IMPACT**

This action would increase the value of the NW Teambuilding agreement from \$440,000 to \$1,080,000 (a \$640,000 increase, or approximately \$320,000 per year) for the operation of Bellevue Challenge Course and Zip Line programs at Eastgate Park through December 31, 2017. The current contract was approved by Council in November 2013 (Resolution No. 8653) to cover estimated expenses through 2017, but the authorized amount has been fully expended in the first two years of the agreement with the addition of the Zip Tour to the program offerings. In addition to increasing the contract amount, the Parks General Fund budget also needs to be amended as the adopted budget only includes \$100,000 for the Challenge Course portion of the program. This action increases the 2016 General Fund budget by \$220,000 to authorize the estimated expenses associated with Zip Tour operations, and funding for future years will be included as part of the biennial budget process. The contract increase and its associated budget amendment are fully recovered by user fee revenue.

### **STAFF CONTACTS**

Shelley Brittingham, Assistant Director, 452-5213  
Brad Bennett, Program Manager, 452-2813  
*Parks & Community Services Department*

### **POLICY CONSIDERATION**

Bellevue City Code:

City Code 4.28 provides for the fair and equitable treatment of persons in the purchasing process. Because the total amount of the contract exceeds \$90,000, Council approval is needed. In addition, City financial policies require that budget amendments that change fund appropriation levels be approved by ordinance.

### **BACKGROUND**

The Bellevue Challenge Course was completed in 2006 as part of the overall construction of the South Bellevue Community Center, and has been operated under contract since that time. The most recent contract with NW Teambuilding (formerly Andrews Consulting, LLC) was approved by Council in November 2013 (Resolution No. 8653) following a competitive request for proposal process, although the full impact of the Zip Line operation was not known at the time. The Zip Tour portion of the Challenge Course was opened to the public in 2014, and has been operated by NW Teambuilding under the existing contract. The response to the program and facility has been overwhelming, with nearly 4,400 paid riders per year.

According to the terms of the contract, NW Teambuilding will continue to operate all Challenge Course programs and will receive between 60%-90% of all revenue generated from the programs. The City will receive between 10%-40% of the actual revenue. The percentages take into account the type of program offered and whether serving youth/non-profit or adult/for-profit groups.

Overall, this contract generates average net income of approximately \$95,000 per year as City program fee revenue exceeds contract expenses. The contract will be reviewed annually to discuss operational and marketing goals.

#### **EFFECTIVE DATE**

If adopted by Council, this Ordinance will become effective on February 9, 2016.

#### **OPTIONS**

1. Adopt the Ordinance to: 1) increase the NW Teambuilding contract from \$440,000 to \$1,080,000 through 2017; and 2) amend the 2016 General Fund budget to recognize \$220,000 in increased revenues and expenses generated by the Bellevue Zip Tour operated by NW Teambuilding at Eastgate Park.
2. Do not adopt the Ordinance and provide alternative direction to staff.

#### **RECOMMENDATION**

Option 1.

#### **MOTION**

Move to adopt Ordinance No. 6270 to: 1) increase the NW Teambuilding contract from \$440,000 to \$1,080,000 through 2017; and 2) amend the 2016 General Fund budget to recognize \$220,000 in increased revenues and expenses generated by the Bellevue Zip Tour operated by NW Teambuilding at Eastgate Park.

#### **ATTACHMENT**

Proposed Ordinance No. 6270

#### **AVAILABLE IN COUNCIL DOCUMENT LIBRARY**

Copy of Contract