



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 1658-2008, Version: 1

In December 2006, the City purchased 1111 East Broad Street (now the Jerry Hammond Center, "JHC") as authorized by Ordinance No. 1005-2006, passed by City Council on June 8, 2006. As part of the requirements of the purchase agreement, the City assumed a five-year Facility Management Agreement ("FMA") with Jones Lang LaSalle Americas, Inc. (JLL) for the professional management of the Facility. In February 2008, Jones Lang LaSalle Americas, Inc. submitted notice to the City of its intent to terminate its FMA contract effective June 28, 2008. Thereafter, the City assigned the FMA contract to Paradigm Properties of Ohio, LLC (Paradigm), per Ordinance 0479-2008.

The FMA sets the management fee and details the duties of the management company in procuring services, preparing RFP's and soliciting bids for services, oversight of daily building operations, and the direct payment of all operating expenses except natural gas, electric, sewer and water (which the City pays directly). The FMA requires the management company to establish a building operating account from which all building services are paid. Each August the FMA requires the management company to submit an annual building operating budget for funding of building operating expenses for the next fiscal year. The JHC building operating account for 2008 was funded based on the budget submitted in July 2007 by Jones Lang LaSalle and was based on reasonable assumptions by JLL at the time the budget was prepared. However, since that time there have been a number of changes to building services, unforeseen expenses required for the occupancy of the building by City departments, and the completion of emergency repairs due to storm damage that will exhaust the budgeted operating expense fund before the end of the 2008 fiscal year.

One of the most significant increases is in the cost of security services. In April, an RFP was issued for security services to replace the expiring security contract. With the building reaching full occupancy in April 2008, when renovations for City offices were completed, the City requested a significant increase in the staffing of security officers on the day and evening shifts in order to provide adequate protection of staff, visitors, and the building and grounds. In addition, with Jones Lang LaSalle's termination of its FMA, the contract year for the FMA changed from January 1st to May 1st. The increase in funding of the maintenance services contract will also allow for payment of the building management costs in the FMA through April 30, 2009. The building management fee has not increased and remains unchanged.

This legislation authorizes the Finance and Management Director to increase the amount of the building maintenance services contract with Paradigm Properties of Ohio, LLC by \$295,000, from \$750,500 to \$1,045,500; and, to declare an emergency.

Contract Compliance No: 311609350, expiration 3/25/2010

Emergency action is requested to ensure that daily services to the JHC continue without interruption.

Fiscal Impact: No increase in appropriation is required. The cost of this expenditure is available in the 2008 1111 East Broad Street Operations Fund from savings as a result of the reduction of expenses funded for real estate taxes and other building expenses. This ordinance authorizes an increase in the expenditure authorized for the 2008 building maintenance service contract (FMA) with Paradigm Properties of Ohio, LLC, in the amount of \$295,000, for a total payment of \$1,045,500, in order to avoid depletion of the building operating expense fund before the end of 2008.

To authorize the Finance and Management Director to increase a contract with Paradigm Properties of Ohio, LLC for building maintenance services for the Jerry Hammond Center at 1111 East Broad Street; to authorize the expenditure of \$295,000.00 from the 1111 East Broad Street Operations Fund; and to declare an emergency. (\$295,000.00)

WHEREAS, it is necessary that the Finance and Management Director increase the amount of the operating expense payments required under the Facility Management Agreement with Paradigm Properties of Ohio, LLC for the Jerry Hammond Center, by

\$295,000, from \$750,500 to \$1,045,500 due to unexpected building operating expenses; and

WHEREAS, an emergency exists in the usual daily operation of the City of Columbus, in that it is immediately necessary to authorize the Director of Finance and Management to increase the amount of the building operating payments to Paradigm Properties, LLC for the operation of the Jerry Hammond Center; and for the immediate preservation of the public health, peace, property and safety; now, therefore:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Finance and Management Director is authorized to increase the Facility Management Agreement with Paradigm Properties of Ohio, LLC by \$295,000 for a total of \$1,045,500 for the operation of the Jerry Hammond Center at 1111 East Broad Street through April 2009.

SECTION 2. That the expenditure of \$295,000.00, or so much thereof as may be necessary, be and is hereby authorized and approved as follows:

Dept./Div.: 45-07
Fund: 294
OCA: 294001
Object Level 01: 03
Object Level 03: 3370
Amount: \$295,000.00

SECTION 3. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor or ten days after passage if the Mayor neither approves nor vetoes the same.