



Request for City Council Committee Action From the Department of Public Works

Date: July 21, 2009
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral: Honorable Paul Ostrow, Chair Ways & Means Committee
Subject: **Rain Barrel Neighborhood Partnership – Green Institute Debt Settlement**

Recommendation:

The proper City officials are authorized to accept \$34,502 in full payment of amount due from vendor Green Institute for City Contract Number C-24752 (07300 6300 200 Rev 375501). No additional appropriation is required.

Previous Directives:

May 22, 2009: Acceptance of settlement with Green Institute related to the Eco-Enterprise Center.

December 1, 2006: Authorization to enter into a contract with United States Environmental Protection Agency (USEPA) for \$100,000 grant for Rain Barrel Neighborhood Partnership, and authorization for subsequent contracts necessary to achieve goals of grant.

Prepared by: Lois Eberhart, Water Resources Administrator, Department of Public Works, Surface Water & Sewers, 673-3260

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Lois Eberhart, Department of Public Works, Surface Water & Sewers

Reviews

Permanent Review Committee (PRC): Approval n/a Date _____

Civil Rights Approval Approval n/a Date _____

Policy Review Group (PRG): Approval _n/a_ Date _____

Financial Impact

Action requires an appropriation increase to the Capital Budget or Operating Budget

Action provides increased revenue for appropriation increase

Action is within the Business Plan

Request provided to the Finance Department

X Other financial impact: If Green Institute had remitted \$69,003 as per City Contract Number C-24752, the revenue would have been appropriated to the PW-Surface Water & Sewers operating budget to offset stormwater public outreach and education expenditures for the 2007 rain barrel distribution program. When Green Institute failed to remit \$69,003 in 2007, the expense of \$69,003 was borne by Public Works operating budget. The 50% settlement in 2009, or \$34,502, will be credited to the 2009 Public Works operating budget.

Community Impact

Neighborhood Notification: n/a

City Goals: n/a

Comprehensive Plan: n/a

Zoning Code: n/a

Background/Supporting Information

In 2007, the City of Minneapolis contracted with the Green Institute for services related to the 2007 Rain Barrel Neighborhood Partnership program. The cost to a resident for a rain barrel was \$45. A total of 2,000 rain barrels were sold for a total of \$90,000. Services provided by Green Institute for \$20,997 included developing and maintaining an internet point-of-sales page on its Re-Use Center website, designing a one-page sales brochure, accepting and storing the rain barrels upon shipment from the manufacturer, managing distribution of the rain barrels during a three-month period at the Re-Use Center site and also at three events (Lake Nokomis, Loring School, Northeast Bank), collection of the \$45 plus sales tax, and remittance of the sales tax to the State of Minnesota. The amount of \$69,003 was the difference between what the Green Institute took in from people who bought rain barrels (\$90,000) and the services provided by Green Institute (\$20,997).

In 2007 when the Green Institute failed to remit the \$69,003 owed to the City, Public Works contacted the Finance Department because Finance was working with the Green Institute regarding other financial responsibilities. In May 2009, when settlement was reached for the other financial responsibilities, Finance personnel discussed with Public Works staff the improbability of collecting the full \$69,003. Staff are recommending acceptance of 50%, or \$34,502, in full payment of the amount due from the Green Institute for City Contract C-24752.