

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-562

SYNOPSIS -

AGENDA:

Staff proposes a contract amendment between the City and Childtime Child Care, Inc. (Harold A. Lewis, Chief Executive Officer, 38345 West 10 Mile Road, Suite 100; Farmington Hills, MI 48335-2883), the child care provider that will operate and manage the child care center in the Intermodal Transportation Facility.

DECEMBER 21, 1998

SUBJECT:

INTERMODAL CHILD
CARE CENTER
CONTRACT AMENDMENT

The amendment provides for cost-sharing between the City and Childtime for the \$58,217 change order approved by the City Council on September 1, 1998, for additional work to reconfigure room sizes in the child care center. Council approved the change order contingent on staff formalizing an agreement with Childtime to share the cost of these improvements. Staff provided the proposed amendment in conformance with Council's direction.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

FISCAL IMPACT -

SUBMITTED BY:

The proposed amendment requires Childtime to pay to the City 100 percent of all net operating income over net operating revenue that exceeds \$60,000 per year up to \$29,000 (which is one-half of the cost of the change order). The amendment does not allow Childtime to count as an expense any costs incurred for purchasing and installing equipment or other items required to start-up the Center. According to Childtime's financial projections, the Intermodal Child Care Center anticipates \$60,000 when the Center is at approximately 70 percent occupancy.

ROBYN ELLERT
MANAGEMENT ANALYST

RECOMMENDATION -

Approval of contract amendment between the City

and Childtime Child Care, Inc.

BACKGROUND -

The original design for the child care facility of the Intermodal Transportation Facility was based on assumptions made by the consultant after visiting other child care facilities within the metro area and review by the state child care licensing agency. At the time of the initial design, the City had not contracted with a child care provider.

The City Council, at its April 27, 1998 meeting, selected Childtime Child Care, Inc. as the child care provider for this facility. The Request for Proposal for the child care provider stated 80-100 children of varying age groups could be serviced in this facility.

To provide for this number of children utilizing the optimum teacher/child ratios, the City Council, at its September 1, 1998 meeting, approved a change order in the amount of \$58,217 to modify the original construction. Council approved the change order contingent on staff formalizing an agreement with Childtime to share the cost of these improvements.