

AGENDA



Thursday, October 11, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 43**

Subject: Authorize award, negotiation and execution of a contract with RED OAK CONSULTING, White Plains, NY, to conduct a comprehensive cost of service rate study for the Austin Water Utility in an amount not to exceed \$403,030.

Amount and Source of Funding: Funding is available in the Fiscal Year 2006-2007 Capital Budget of the Austin Water Utility.

Fiscal Note: A fiscal note is attached.

For More Information: Steve Aden, Supervising Sr. Buyer, 974-2021

Purchasing Language: Best evaluated proposal of two proposals received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

Prior Council Action: 05/03/07, Adoption of the Water Conservation Task Force recommendations, Water Conservation Strategy CI-3 Conduct a cost of service study to evaluate strategies to reduce water demand. (Resolution 20070503-029)

This contract is to conduct a cost of service analyses and development of service rates for the Austin Water Utility (AWU). With the adoption of the Water Conservation Task Force recommendations, City Council mandated the AWU to conduct a comprehensive cost of service rate study by May 31, 2008.

This study will evaluate the AWU's revenue requirements, costs of providing water and wastewater service, and design rates to encourage conservation. The study will recognize accepted industry standards and be based on sound engineering and economic principles to ensure the utility costs are fairly apportioned to the customer classes, rates are fairly apportioned to the customer classes, and rates are designed to equitably recover cost. An extensive public involvement process will be conducted throughout the study process. The contractor will provide consulting expertise and services to the AWU management and staff throughout the study.

MBE/WBE solicited: 33/23 MBE/WBE bid: 0/0

RFP NO. STA071
PROPOSAL ANALYSIS

a. Adequate competition.
b. Four hundred ninety-nine notices were sent, including 33 MBEs and 23 WBEs. Two proposals were received.

APPROVAL JUSTIFICATION

- a. Best evaluated proposal received.
- b. The Purchasing Office concurs with Austin Water Utility's recommended award.
- c. Advertised in the Austin American-Statesman and the Internet.