

Agenda Questions/Responses
January 15, 2004

- 3. Is it correct that the cost to the City is \$12,500?**
Also, please provide a map. (Council Member Daryl Slusher)

Yes, this is the cost associated with engineering design, project management and surveying costs, which is being provided by the Utility's staff in lieu of waiving tap and capital recovery fees.

A map has been provided to Council Offices and on the website as late back-up.

- 5. Please provide the financial projections for this item. (Council Member Daryl Slusher)**

The Utility is recommending reimbursement not to exceed \$216,000 for hard costs relating to the construction of approximately 450 feet of 24-inch water main from the east side of IH-35 North to the western right-of-way of IH-35 North. This 24-inch water main extension is needed by the Utility not only to serve the development on the Schultz tract but also to enhance system reliability for existing customers. This service includes fire protection in the surrounding area. It will also enable the Utility to add future customers on the western side of IH-35 North.

Based on the growth projections for the Schultz tract only, the 30-year financial analysis of the \$216,000 capital investment reflects a negative net present value. However, the Utility recommends this investment because the 24-inch water main will also provide much needed system reliability enhancements such as improving fire protection for existing customers in the area, establishing the capability to add new customers outside of the Schultz tract, and eliminating the need to construct another water main across IH-35 North to provide water service in the area.

The financial analysis has been provided to Council Offices and on the website as late back-up.

- 7. If the services are more than are anticipated is there a mechanism for being paid for those additional services? (Council Member Daryl Slusher)**

The City of Rollingwood will pay the City of Austin a fixed budget amount of \$14,509.51, in semi-annual payments, which is advantageous to both cities. The expectation is that utilization of service and associated costs are reviewed on an annual basis; however, the agreement specifically includes provision for representatives of Rollingwood and Austin to meet periodically to establish and evaluate operating policies and procedures and to make necessary adjustments as mutually beneficial, including amendment of the agreement to address changes to programs, objectives, measures, levels of service, or cost of services.

15. Why was Salas Construction, Inc. deemed non-responsive? (Council Member Raul Alvarez)

Salas Construction, Inc.'s bid did not meet the bidding requirements specified in Section 00100 of the City's Project Manual (bid documents). Specifically, they failed to include Section 00405, Certificate of Non-Suspension or Debarment, and Non-Resident Bidder Provisions (Section 00475). Since Section 00100-ACWP, Item 7, Submission of Bid requires that these items be included in the bid envelope, Salas was deemed non-responsive.

Salas formally protested this decision, and a Bid Protest Hearing was conducted by the City's Purchasing Department on December 8, 2003. The Hearing results upheld the City's position determining Salas's bid non-responsive.

18. Why is this item a sole source procurement? (Council Member Daryl Slusher)

The method used for measuring customer satisfaction by the American Society for Quality (ASQ) is proprietary to ASQ and the University of Michigan. The statistical model used in measuring the ACSI has its origins in research started in Europe, in the 1970's. The methodology has since been developed and tested for reliability, and is now recognized as a highly credible, if not the most credible measurement of residential customer satisfaction perception available. No other vendors supply a statically based model of this caliber, i.e. tested and refined for reliability. No other firm has rights to use their methodology, necessitating a sole-source procurement.

**21. Was doing this in house considered and evaluated?
Were any other possibilities considered and/or evaluated? (Council Member Daryl Slusher)**

Yes, the City of Austin (City) previously performed this work as part of project construction. However, the large number of traffic set-ups was beyond the departments' capability; it was inefficient, time consuming, and costly to bid out every set up on an as-needed basis. Emergency set ups were also problems for the same reasons. Given the numerous set ups required and the fact that the City did not have a standardized approach or one crew to handle all set ups (e.g., 10 supervisors from user departments would set up in 10 different ways), there was a concern for the safety of the driving and pedestrian public and the crew who have to navigate different types of set ups. This contract assures continuity and public safety. It also allows the respective departments to focus on the primary infrastructure maintenance and eliminates a lot of costly inventory. A few years ago, the State changed requirements on barricading devices. Instead of the City having to pay for changes to our entire barricading inventory, the vendor is responsible for this. This contract also provides for small and minority business opportunities.

The options were to have the City continue to do this work, which was deemed inefficient, or to bid out the work as a service contract. There is no out-sourcing or loss of FTEs. Instead, the City workforce is focused on repairing and replacing the water and wastewater pipes, electrical lines, and streets.

Z-4. How many units are they proposing?

Is this subject to S.O.S.? (Council Member Raul Alvarez)

The applicant has not specified the number of dwelling units proposed at this time. The maximum (gross site area) density allowed under the SF-6 district designation would be about 12.4 dwelling units per acre.

There is a subdivision plat approved on the property in the late 1970s. Therefore, the site may be "grandfathered" to pre-SOS regulations.

Note: The applicant's agent, Ms. Sara Crocker has told Staff that she will request a postponement of this case to the February 5, 2004 Council meeting.