

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council

Item ID:

61162

Agenda Number

17.

Meeting Date:

September 1, 2016

Department:

Purchasing

## Subject

Authorize negotiation and execution of a 6-month contract with DROPCOUNTR, INC, to provide a customizable residential water efficiency, customer engagement and water consumption reporting software in an amount not to exceed \$86,250.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2015-2016 Operating Budget of Austin Water.

## Fiscal Note

A fiscal note is not required.

Purchasing  
Language:

Professional Services

Prior Council  
Action:For More  
Information:

Jim Howard, Corporate Purchasing Manager, 512-974-2031

Boards and  
Commission  
Action:

August 10, 2016 - Recommended by the Water and Wastewater Commission on an 8-0 vote with Commissioner Ho off the dais and Commissioners Castleberry and Parker absent.

Related Items:

MBE / WBE:

This contract was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this contract, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.

## Additional Backup Information

The contract is needed to continue the assessment of the pilot home water use reporting program. The goals of the pilot program are to evaluate the water savings and cost benefit of home water use reports including various delivery methods and targeted populations. The report compares a customer's use with customers of similar demographics and water use characteristics, efficiency goals and metrics, Austin Water (AW) volumetric rate tiers, and actions and direct links to AW incentive programs to reduce water use and help meet the City's conservation and drought management goals. Due to the abnormally wet weather at the beginning of the pilot program affecting the ability to measure water usage, and a sharp increase in participation toward the end of the initial pilot period, additional time and data are needed to effectively meet the pilot program goals.

In 2015, Dropcountr, Inc. was awarded an initial 12-month contract based on various factors including the ability to provide mobile application, marketing approach, and cost. The initial cost was \$48,000 and limited to 10,000 digital and mailed reports. Since implementation of the pilot project, demand for the reports has exceeded the contract amount and over 4,000 customers have been in the program for only five months or less. This new contract would extend the pilot period another 6 months and allow all 225,000 AW residential customers to request and receive digital reports. This additional time and increased participation will help gather more data to ensure statistically valid results for the assessment of the pilot program. In addition, Dropcountr would continue to be available to help respond to any high water bill complaints and the implementation of the City's new bill adjustment policy.

AW has historically relied on financial incentives and information dissemination to help customers conserve water. Providing home water use reports adds an additional approach. The concept behind providing customers with home water use reports is to leverage social norms – comparing the customer's water use with that of similar homes – as well as to provide feedback to the customer on water and cost saving ideas, available rebates and goal setting to see whether this type of customer engagement will be more effective in changing water use behavior. This is being done as part of the implementation of key recommendations from the Austin Water Resource Planning Task Force Report as directed by Council Resolution No. 20140807-090 dated August 9, 2014 and as set for in the September 25, 2014 staff memo to Council.

Dropcountr reports include AW customer water use and customized graphic design and features familiar to current participants. The reports are also accessible by mobile or web application providing customers with immediate access to utility alerts relating to a broad range of programs and notices. Interruption or change in providing home water use reports may result in a loss of customer interest or participation in the pilot project, negating the assessment done thus far under the pilot.

Dropcountr has acquired and managed water use data from over 225,000 AW residential accounts and developed reporting features, analytics and reporting interfaces specific and unique to AW. Dropcountr has successfully performed these services for the City and has third party certification as meeting the City's security and privacy controls. Based on Dropcountr's demonstrated competence and qualifications, AW staff has determined Dropcountr the most experienced and qualified vendor to continue providing this service.