

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	71721	Agenda Number	50.
Meeting Date:		June 15, 2017			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of a 12-month contract with DROPCOUNTR, INC, or one of the other qualified offerors to Request For Proposals GAZ0100, to provide a customizable residential water efficiency, customer engagement and water consumption reporting software program, in an estimated amount of \$157,500, with four 12-month extension options in the estimated amount of \$157,500 per extension option, for a total contract amount not to exceed \$787,500.					
Amount and Source of Funding					
Funding in the amount of \$65,625 is available in the Fiscal Year 2016-2017 Operating Budget of Austin Water. Funding for the remaining seven months of the original contract period and extension options are contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:	The Purchasing Office issued a Request for Proposals (RFP) GAZ0100 for these services on December 5, 2016, and it closed on January 19, 2017 with three offers received. The recommended offer is the best evaluated offer submitted by a responsible offeror. Additional information on the solicitation is included below the line. The recommended offeror is the current provider of these services.				
Prior Council Action:					
For More Information:	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or AgendaOffice@ austintexas.gov  NOTE: Respondents to this solicitation, and their representatives, shall continue to direct inquiries to the solicitation’s Authorized Contact Person: Gil Zilkha, at 512-974-2696 or Gil.Zilkha@ austintexas.gov				
Boards and Commission Action:	June 14, 2017 - To be reviewed by the Water and Wastewater Commission.				
Related Items:					
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement				

	Program. For the services required for this solicitation there were no subcontracting opportunities; therefore, no subcontracting goals were established.
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#### Additional Backup Information

The contract is needed to continue providing home water use reports to Austin Water residential customers based on the favorable results of a two-year pilot program. In 2015, Austin Water contracted with Dropcountr to provide 10,000 residential customers with free home water use reports. The goal of the pilot program was to evaluate the water savings and cost benefit of home water use reports including various delivery methods and targeted populations. The reports compared the customer's use with other similar customers and provided conservation tips and direct web links to Austin Water incentive programs. The pilot was also done as part of the implementation of key recommendations from the Austin Water Resource Planning Task Force Report as directed by a 2014 Council Resolution No. 2014087-090 dated August 9, 2014 and as set forth in a September 25, 2014 staff memorandum to Council.

Results from the pilot program indicate that households receiving the reports reduced their water use in the aggregate by nine percent and households in the top 20 percent of water use reduced consumption by an estimated 17 percent. The total savings attributed to the pilot program was 41 million gallons. There were also significant cost savings for the utility. Over 750,000 digital messages with customer-use information, comparisons to other households, conservation tips, and Austin Water program information were sent to customers, avoiding an estimated \$250,000 in paper and postage costs.

In addition, the reports were effective in responding to a large number of high water bill complaints that occurred in 2015 and were critical in helping to address complaints as customers sought to better manage their water use. In a survey of the customers receiving the reports, 42 percent indicated interest in more frequent usage summaries. About 86 percent expressed a preference for a mobile app. Over 88 percent of survey respondents said they would recommend using the home water use reports to others.

Austin Water has historically relied on financial incentives and information dissemination to help customers conserve water. Providing home water use reports has added an additional approach. The concept behind the program 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 effective in changing water use behavior. Home water use reports include Austin Water 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.

An evaluation team with expertise in this area evaluated the offers and scored Dropcountr Inc. as the best to provide these services based on system concept and solutions proposed, cost, proposer profile, qualifications and experience, project management, proposer staffing, warranty and customer service practices, and local business presence.

This request allows for the development of a contract with a qualified offeror selected by Council. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so that another qualified offeror may be selected, authorizing new contract negotiations.

Approving this contract will avoid interruption in providing home water use reports which may result in a loss of customer interest or participation in this valuable program.

A complete solicitation package, including a response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

	<b>DROPCOUNTR, INC.</b>				
		<b># months</b>	<b>Contract Amount</b>	<b>Contract Amendment</b>	<b>Revised Amount</b>
	Original Term	12	\$ 157,500	n/a	n/a
	Extension Option 1	12	\$ 157,500	n/a	n/a
	Extension Option 2	12	\$ 157,500	n/a	n/a
	Extension Option 3	12	\$ 157,500	n/a	n/a
	Extension Option 4	12	\$ 157,500	n/a	n/a
	<b>TOTAL</b>	<b>60</b>	<b>\$ 787,500</b>	<b>\$ -</b>	<b>\$ -</b>