

OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

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Item Number: 102

Item: Second Amendment to Agreement with Weston Solutions for As-Needed Professional Services for Water Quality Monitoring and Stormwater Management in an Amount Not To Exceed \$8,205,000 Over Three Years

OVERVIEW

Item 102, *Second Amendment to Agreement with Weston Solutions for As-Needed Professional Services for Water Quality Monitoring and Stormwater Management in an Amount Not To Exceed \$8,205,000 Over Three Years*, requests Council action to:

1. Amend the existing \$2.1 million agreement by \$2,532,000 annually to a total of \$8,205,000 to perform storm water monitoring citywide, and
2. Extend the duration of the agreement for up to three years, and
3. Authorize the appropriation and expenditure of \$8,205,000 over three years, with \$1 million authorized now for costs to be incurred in Fiscal Year 2007.

FISCAL/POLICY DISCUSSION

The City advertised for these consultant services back in November 2004, and interviewed three firms in January 2005. As a result, Weston Solutions, Inc. was selected for a one-year agreement. In October 2005, the City Council authorized this agreement in the amount of \$2.1 million, which allowed for four one-year options to renew, for a total agreement period not to exceed five years. Now it is requested that this agreement be amended by increasing the total compensation by \$8.2 million. Of this amount, the amount for Fiscal Year 2007 will increase from \$2.1 million to \$3.1 million. Separately, the City has also utilized Weston Solutions, Inc. for As-Needed Wet Weather Monitoring Services under a five year agreement, last amended to a total of \$1.25 million in May 2005.

City Council Policy 300-07 states that selection of consultants should be made from as broad a base of applicants as possible and the choice be based on demonstrated

capabilities or specific expertise. It also states that notice of the intent to seek consulting services shall be published in the City's official newspaper and that a minimum of three qualified consultants should be considered for selection except in those cases where unique expertise is required. In particular instances it may be desirable to use a "sole source" consultant, though this decision must be based on circumstances where competition is not feasible and such selection must be adequately justified. Such justification must contain substantive reasons as to why only one firm was selected and must reference specific items such as time constraints, cost savings and unavailability of similar expertise. Given that three firms previously responded to the RFP in November 2004, it seems that justification for the award of this contract on a sole source basis would be difficult to make. Over two years has passed since the original RFP process, and the scope of desired work has significantly expanded from \$2.1 million to \$10.3 million. Because of this, a competitive selection process for this new work seems appropriate, and consistent with Council Policy.

Stormwater Pollution Prevention is an area of increased attention, with significant additional General Fund resources committed over a multi-year period to ensure the City's compliance with water quality standards. It may warrant discussion if the use of more than one firm to concurrently perform tasks which can be completed independently may expedite progress in this area.

The amount for Fiscal Year 2007 is requested to be increased from \$2.1 million to \$3.1 million, with only six weeks remaining. It is unclear if work may have already been done which now necessitates an amendment to the agreement in order to provide payment, or if new work will be requested that can be actually be accomplished in this short period of time.

QUESTIONS/ISSUES

In the documents provided regarding the agreement amendment, there is limited information, and the IBA was unable to determine the following:

1. How were the annual amounts in the agreement determined?
2. What is the expected timing of completion related to each task?
3. Why is a three-year timeframe required to perform the work?
4. What is the benefit of committing all of this work to one firm?
5. Given the amount of the agreement, why was there no competitive selection process utilized?
6. Given the importance of the Stormwater Pollution Prevention Program, might it be desirable to utilize more than one firm to expedite progress?
7. Why is \$1.0 million needed for Fiscal Year 2007, with only six weeks remaining?

CONCLUSION

The IBA requests that additional information be provided regarding the requested amendment to the agreement with Weston Solutions, Inc. Without this information, the IBA recommends that this item not be approved by the City Council at this time.

[SIGNED]

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