
OFFICE OF THE INDEPENDENT BUDGET ANALYST REPORT

Date Issued: September 23, 2010

IBA Report Number: 10-74

City Council Docket Date: September 28, 2010

Item Number: 330

Authorize an Agreement with Action Research for Think Blue Education and Outreach

The City Council docket for September 28, 2010 includes Item 330, regarding authorizing an agreement with Action Research for Think Blue Education and Outreach. This item was heard at the Natural Resources and Culture Committee on September 8, 2010. This item was approved 3-0 (with one councilmember absent) to move forward to Council without a recommendation.

This item would authorize the Mayor to execute a two-year agreement with Action Research for a not-to-exceed value of \$350,000 (with a not-to-exceed value of \$175,000 for FY 2011) and authorize the Mayor to execute up to three one-year options. The total not-to-exceed value of the contract is \$875,000 over five years.

Services provided through this agreement include storm water related research and assessment services for the City's Think Blue education and outreach campaign. These activities ensure compliance with the Regional Storm Water Permit (the Permit). The education requirement is one of twenty-one provisions of the Permit. It includes tasks that are required in order to ensure compliance but does not provide a required level of spending that is necessary to meet these requirements. Compliance is task-driven and the bids the City receives for the required tasks, or the City's costs for work it undertakes, directly determine the cost. This report provides the following analysis on the Action Research contract agreement as well information on the cost of previous agreements for this work, which was completed under a different primary consultant.

In FY 2007, the City entered into an agreement with Goodwin Simon Victoria Research for a not-to-exceed amount of \$240,000, with two one-year options to renew. In April 2008, the City Council approved an amendment totaling \$446,470 for FY 2008 and FY

2009. Action Research, who is now the primary contractor in this new agreement, was a sub-consultant to this contract agreement.

In September 2009, Action Research became the primary consultant through a sole source agreement approved by the Purchasing and Contracting Department. This agreement was for a not-to-exceed amount of \$175,000 and was valid through September 30, 2010. Upon expiration of the one-year agreement it was recommended by Purchasing and Contracting to solicit these consultant services through a competitive process. The City advertised via a Request for Proposal and Action Research was selected as the most qualified bidder. An overview of actions to these agreements with the authorized funding is illustrated in the table below.

| Snapshot of City's Contract Agreements for "Think Blue" Research | | | |
|--|-----------------------|-------------------------|--------------------|
| Contract | Council Approval Date | Fiscal Year Implemented | Cost |
| Original Contract with Goodwin Simon Victoria Research (GSVR) | 1/22/2007 | 2007 | \$ 240,000 |
| Amendment No.1 to contract with GSVR for two years | 4/1/2008 | 2008 & 2009 | \$ 446,470 |
| Sole Source Agreement with Action Research, Inc. | 9/30/2009 | 2010 | \$ 175,000 |
| Proposed Contract with Action Research, Inc. | TBD | 2011 & 2012 | \$ 350,000 |
| Total: | | | \$1,211,470 |

The current request of a two-year contract for FY 2011 and FY 2012 would bring the total spent on these contracts since FY 2007 to \$1.2 million. If the contract's option years are approved at a future date, a total of \$1.7 million will be expended on these agreements and will span a total of nine years.

The IBA understands the importance of this program in complying with the Municipal Permit. However, during these challenging economic times it is unknown whether reductions will ultimately be made to the department's operating budget over the next several fiscal years. The IBA is concerned with obligating the City into a long-term contract in this economic climate. Therefore, it is recommended that the City Council approve a one-year contract and have the Department come back to renew prior to the contract expiring.

[SIGNED]

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 APPROVED: Andrea Tevlin
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