

WEST BASIN MUNICIPAL WATER DISTRICT

DECEMBER 7, 2004 - Finance

Fernandez, Dear

DECEMBER 20, 2004 - Board

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Approved by: Art Aguilar/Richard.Nagel

ACTION CALENDAR

**STANDBY CHARGE ADMINISTRATION SERVICES
FOR FEBRUARY 1, 2005 – JANUARY 31, 2008**

SUMMARY:

In the early 1990's, West Basin initiated their efforts in drought-proofing the District's region by constructing a water recycling facility and distribution pipelines to provide recycled water to various industrial and irrigation customers. As a result of the regional drought-proofing effort, West Basin implemented a recycled water parcel charge that offsets the debt obligations used to finance the West Basin's Water Recycling Program. The total Standby Charge currently generates approximately \$ 9.6 million.

In order to administer the Standby Charge Program accurately and cost-effectively, West Basin contracts with a consultant. The current consultant's contract terminates January 26, 2005.

“Request for Proposals” (RFP)

In September 2004, staff informed the Board that our current consultant's contract will terminate in January 2005. In accordance with the District's Procurement Policy, staff issued an RFP in October which was posted on the District's web site, and distributed to seven consulting firms. The RFP stated the contract was for a three-year period, February 1, 2005 to January 31, 2008.

The District received four proposals. Staff reviewed all of the proposals received and rated their responses to the District's RFP. Each firm was rated as to overall completeness, firm and team experience, project understanding, value added services, and professional references.

Interviews

Staff interviewed three of the four firms that responded to the District's RFP. The fourth consulting firm was not interviewed due to its three-year proposal amount far exceeding that of the other firm's proposals. The interviews were conducted on November 15, 2004 and provided staff with additional clarification on the team experience, project understanding, and value added services. The interview panel consisted of the District's finance staff and a staff member of Metropolitan Water District of Southern California. The panel evaluated each firm and their average score is as follows:

Category	Max Points	Harris & Associates	Datastream	MuniFinancial
Proposal Completeness	10	9	9	10
Firm and Team Experience	20	16	20	20
Understanding of Project	25	18	23	22
Value Added Service	10	6	8	9
References	10	--	10	10
Interview	25	21	23	23
Total Points	<u>100</u>	<u>70</u>	<u>93</u>	<u>94</u>
Contract Price – three years		<u>\$45,900</u>	<u>\$60,950</u>	<u>\$78,000</u>

Due to Datastream and MuniFinancial having similar overall scores, staff considered the proposal amounts from each consulting firm. For the three-year contract period, Datastream's proposal is approximately \$17,000 less than MuniFinancial. Also, Datastream has institutional knowledge regarding West Basin's Standby Charge Program as it merged with the District's current consultant, Reiter Lowry.

Staff recommends that Datastream Business Solutions, Inc. be awarded a three-year Standby Charge Administration Services contract for the period of February 1, 2005 to January 31, 2008 in an amount not-to-exceed \$60,950.

FISCAL IMPACTS:

Standby Charge Administration Services are included in the annual budget.

ENVIRONMENTAL COMPLIANCE:

Not required.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on December 7, 2004 and recommended for approval at the December 20, 2004 Board meeting.

RECOMMENDED MOTION:

That the Board authorizes the Co-Acting General Managers to enter into an agreement with Datastream Business Solutions, Inc. for a three-year services contract from February 1, 2005 to January 31, 2008 for an amount not-to-exceed \$60,950.

LIST OF EXHIBITS:

None.