



**Recommendation for
Water & Wastewater Commission**

Commission Meeting Date:	August 10, 2016
Council 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 program 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 the Austin Water.	
Purchasing Language:	Professional Services
Prior Council Action:	N/A
For More Information:	Jim Howard, 512-974-2031; Mark Jordan, 512-972-3901
Boards and Commission Action:	August 10, 2016- To be reviewed by the Water and Wastewater Commission. August 16, 2016- To be reviewed by the Resource Management Commission.
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.

The contract is needed to continue the assessment of the pilot home water use reporting program. The pilot program provides participating customers with home water use reports intended to allow customers to better understand and analyze their water usage. The report compares a customer's use with customers of similar demographics and water use characteristics as well as comparing their usage to efficiency goals and metrics. The report also helps customers better understand Austin Water's (AW) volumetric rate tiers and when those tiers are reached. The reports also feature direct links to AW incentive programs to reduce water use and help meet the City's conservation and drought management goals. Abnormal wet weather and an increase in participation of the pilot program affected the ability to measure water usage. As a result, 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 contract 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 will extend the pilot period another six months and allow an opportunity to gather sufficient data to ensure statistically valid results for the assessment of the pilot program.

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. In addition, Dropcountr would be available immediately to help respond to any high water bill complaints and the implementation of the City's new bill adjustment policy. 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.

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.