

## **SOLICITATION NO.**

### **Description: *Review of Austin Water Utility Negative Water Quality Events***

#### **1.0 Introduction**

##### ***About the City of Austin***

The City of Austin, Texas, population 960,000, is the 11th largest city in the country. This vibrant and dynamic city tops numerous “Best” lists for business, entertainment, cost of living and quality of life. Austin was selected as the “Best City for the Next Decade” (Kiplinger), the “Top Creative Center” in the US (Entrepreneur.com) and is in the Top Seven List of Intelligent Communities for 2012 as ranked by the Intelligent Community Forum. Austin continues to lead the country with its vision of being the “Most Livable City in the Country”, emerging as a player on the international scene with such events as SXSW, Formula 1 and being home to companies such as Apple, Samsung, Dell, The Seton Healthcare Family and St. David's HealthCare systems. From the home of state government and the City of Texas, to the “Live Music Capital of the World” and its growth as a film center, Austin has gained worldwide attention as a hub for education, business, health, and sustainability. Since 1900, Austin's population has doubled every 20 years, with continued projected record-breaking growth into the next decade and beyond.

#### **2.0 Purpose**

The purpose of this solicitation is to establish a contract with an independent third-party to conduct an audit to review the five most recent significant negative water quality events and water supply service interruptions, to identify what went wrong and how to prevent future failure, and to evaluate technology, operations and related issues that could improve the overall resilience and functioning of the City's water system.

#### **3.0 Term of Contract**

This Contract shall become effective on the date executed by the City (“Effective Date”) and shall remain in effect until the earliest of when the deliverables set forth in the Contract are complete or the City terminates the Contract.

#### **4.0 Background**

The mission of the Office of the City Auditor is to provide audit and investigative services that foster transparency, accountability and continuous improvement in Austin city government. The City Auditor reports directly to the 11-member City Council. For more information about our office, visit our website at <http://www.austintexas.gov/departments/auditor>.

Austin Water has been providing water and wastewater services for more than 100 years and today serves more 1 million people in the Austin metropolitan area, across more than 548 square miles. The utility draws water from the Colorado River into three regional water treatment plants, Handcox, Davis and Ullrich, which have a combined capacity of 335 million gallons per day. The utility also has two wastewater treatment plants, Walnut Creek and South Austin Regional, that can receive up to 150 million gallons per day of sewage to treat. This wastewater is cleaned into high-quality effluent

and delivered to reclaimed water customers for non-potable use or safely returned to the Colorado River to augment environmental flows.

In February 2022, following a Citywide boil notice that interrupted water service, the Austin City Council passed resolution [20220217-060](#) which directed the City to procure an external audit to review the five most recent significant negative water quality events and water supply service interruptions, to identify what went wrong and how to prevent future failure, and to evaluate technology, operations and related issues that could improve the overall resilience and functioning of our water system. In that resolution, the City Council directed the City Auditor to select an independent third-party contractor and manage the resulting contract.

Per the resolution, this audit shall be conducted by an independent third-party nongovernmental entity or multidisciplinary team with expertise in the operation and management of large-scale water utilities. Allowable exceptions include universities who may be a governmental entity. While the chosen entity, individual or multidisciplinary team, regardless of type, may include individuals with existing knowledge of Austin Water history, processes, and systems, they shall not have a conflict of interest.

The selected independent third-party entity must have demonstrated previous successful expertise and experience managing or evaluating similarly sized organizations and/or competency with public utilities. The selected party must also provide any potential sub-contractors for advance approval by the City.

## **5.0 Tasks/Requirements**

### **5.1 Contractor's Responsibilities**

*The Contractor shall review the five most recent significant negative water quality events and water supply service interruptions, to identify what went wrong and how to prevent future failure, and to evaluate technology, operations and related issues that could improve the overall resilience and functioning of our water system.*

*At a minimum, the evaluation should include an investigation into the following:*

- 5.1.1. A review of Austin Water's overall management of these events, including emergency response and after-action assessments;*
- 5.1.2. A review of policies and practices with respect to how Austin Water prepares for water supply crises;*
- 5.1.3. A review of whether and how Austin Water is following national best practices for source water quality protection and for the operation of drinking water treatment systems;*
- 5.1.4. A review of the timeline for each event, detailing management's response and communication to the public and whether that response endangered the public or impacted public confidence in Austin Water;*
- 5.1.5. A review of whether and how these situations impacted health and safety risks of Austin Water customers;*
- 5.1.6. Description of how knowledge gained from responses to these significant events affected future water supply planning strategies within Water Forward, Austin's integrated water management plan; and,*

5.1.7. *A review of whether Austin Water's facilities and operations are adaptive to seasonal and long-term water quality variability including extreme events.*

5.2 *The Contractor shall complete a written audit report and the report, at a minimum, shall include:*

5.2.1. *How the City of Austin and Austin Water have made progress on recommendations identified in past relevant audits and after-action reports;*

5.2.2. *Recommendations to include:*

- a. *Possible changes to internal policies;*
- b. *Possible changes to current practices, including treatment processes and management of the distribution system;*
- c. *Possible changes to how the City of Austin and Austin Water communicate information to the public during significant events such as these;*

5.2.3. *An action plan for how the City of Austin and Austin Water should implement recommended changes, including a prioritization of the recommendations;*

5.2.4. *Possible change or enhancements to organizational staffing, staffing practices and policy;*

5.2.5. *Opportunities for better working conditions, facilities, tools, technology, and resources;*

5.2.6. *The necessary frequency of reviews, assessments, and audits including recommended content of reviews, assessments, and audits and the sharing of data and findings from these reviews and audits to the Council and the public;*

5.2.7. *Any further comprehensive assessments to be taken on by Austin Water or the City Council;*

5.2.8. *How to improve transparency and the ongoing sharing of data and findings to the Council and the public; and*

5.2.9. *Affirmation of what is going well and should be continued.*

5.3 *Should the independent third-party entity, in advance of the audit completion date, determine actionable recommendations, the entity shall report those recommendations to the City Manager for consideration.*

*To the extent legally permissible, the written audit report shall be posted in a prominent place on the City's website at least one week in advance of presentation to Council.*

5.4 *The Contractor shall deliver and present the audit report to the Water and Wastewater Commission and the City Council during a scheduled meeting which allows for public testimony. Any other City of Austin commission or task force may receive a formal presentation by the City Auditor as mutually scheduled.*

5.5 The contractor should retain support for their conclusions and recommendations.

#### **5.6 City's Responsibilities**

5.6.1 The City will provide the Contractor information to support their efforts such as access to City documents, data, and information, including but not limited to records/data requests, interviews, and similar activities.

5.6.2 The City will provide the Contractor access to City staff reasonably necessary to complete this audit.

5.6.3 The Office of the City Auditor will review proposed sub-contractors as needed to identify independence or conflict concerns.

5.6.4 The Office of the City Auditor will collaborate with the contractor to ensure that the results are supported.

5.6.5 The Office of the City Auditor will facilitate public meetings as needed during the audit.

5.6.6 The Office of the City Auditor will work with contractor to post final report in accordance with specifications above.

#### **6.0 Specific Invoice Requirements**

The City's preference is to have invoices emailed to Jason.hadavi@austintexas.gov or mailed to the below address:

	City of Austin
Department	Office of the City Auditor
Attn:	Jason Hadavi
Address	PO Box 1088
City, State, Zip Code	Austin, Texas 78767

For questions regarding your invoice/payment please contact the City Contract Manager.

#### **7.0 Designation of Key Personnel**

The City and the Contractor resolve to keep the same key personnel assigned to this engagement throughout its term. In the event that it becomes necessary for the Contractor to replace any key personnel, the replacement will be an individual having equivalent experience and competence in executing projects such as the one described herein. Additionally, the Contractor shall promptly notify the City and obtain approval for the replacement. Such approval shall not be unreasonably withheld. The Contractor's and City's key personnel are identified as follows:

	<u>Name/ Title</u>	<u>Phone Number</u>	<u>Email Address</u>
City Contract Manager	<u>Corrie Stokes</u> <u>City Auditor</u>	<u>512-974-2468</u>	<u>Corrie.stokes@austintexas.gov</u>

City Contract Administrator	Jason Hadavi Deputy City Auditor	512-974-2469	<a href="mailto:Jason.hadavi@austintexas.gov">Jason.hadavi@austintexas.gov</a>
Contractor's Key Personnel			
Contractor's Key Personnel			

## 8.0 Deliverables/Milestones

*[Include the following table to outline the deliverables/milestones for this project; each should correspond with tasks/requirements listed in section 5.0 above.]*

Deliverables/ Milestones	Description	Timeline (due/completion date, reference date, or frequency)	Performance Measure/ Acceptance Criteria	Contract Reference/ Section
Entrance Meeting with City Auditor	Meeting with City Auditor and an Austin Water designee to discuss the audit in detail, including but not limited to background information, timeline, preliminary approach, and expectations for evidence.	10 Business Days from the date of the contract	N/A	N/A
Project Plan	Plan detailing the Contractor's plan for completing the audit including criteria, detailed methodologies, timeline, and specific steps.	30 Business Days from the date of the contract	City Auditor Approval	
Sub-Contractor Review	List of any sub-contractors intended to perform work on the project for review by the City Auditor	As identified during the project	City Auditor Approval	
Preliminary Findings	Detailed summary of all findings and discussion of the evidence obtained by the Contractor that led to the findings.	Timeline to be agreed upon by Contractor and City Auditor	City Auditor Approval	
Final Report	Detailed draft report of all findings and recommendations.	30 Business Days from evidence discussion	City Auditor Approval	
Final Presentations	Presentation of final report to relevant City Commissions and City Council	As scheduled following report completion	NA	
Monthly Status Reports and Evidence	Detailed updates of information learned from the prior month including all information obtained during the applicable timeframe.	Monthly		