



- Board of Directors  
*Water Planning and Stewardship Committee*

9/10/2019 Board Meeting

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**7-6**

## **Subject**

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Authorize an annual increase of \$300,000, to an amount not-to-exceed \$500,000 per year, for an existing agreement with WaterWise Consulting, Inc. to provide inspection services for turf removal, regional device rebates, and water-saving incentive program projects for Metropolitan's conservation rebate programs; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

## **Executive Summary**

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This action requests authorization to increase the previously competitively-awarded professional services agreement for WaterWise Consulting, Inc. by \$300,000, to an amount not-to-exceed \$500,000. WaterWise Consulting, Inc. provides inspection and verification services for Metropolitan's conservation rebate programs.

## **Timing and Urgency**

Approving an increase to the existing agreement will provide Metropolitan the ability to continue performing pre- and post- inspections on ongoing and future conservation activities.

## **Details**

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### **Background**

Metropolitan administers various incentive programs to help commercial and residential consumers conserve water. Metropolitan uses vendors to perform on-site inspections, to substantiate the accuracy of rebates, and perform other related services as required.

In 2018, Metropolitan issued a competitive request for proposals seeking consultant services to perform inspection and verification services for turf removal and device installations for Metropolitan's conservation programs. Metropolitan received two proposals. An evaluation committee reviewed and scored each respondent's respective proposal relative to the evaluation criteria and recommended WaterWise Consulting, Inc. Metropolitan entered into a three-year rollover agreement with terms in effect from April 1, 2019, to March 31, 2022. The maximum amount payable per agreement year is \$200,000.

WaterWise Consulting, Inc. currently supports the following Metropolitan conservation programs:

- The "SoCal Water\$mart" regional rebate program which provides turf replacement and device-based rebates for residential and commercial consumers;
- The Water Savings Incentive Program which provides financial incentives for customized water efficiency projects;
- The Member Agency Administered Program which utilizes Metropolitan's funding and provides indoor and outdoor incentives to save water; and
- The Regional Pilot Program that provides enhanced incentives for toilet replacement in multi-family residential properties as part of our disadvantaged communities' initiatives.

Metropolitan is providing more inspection services than originally anticipated during the procurement process due to new efforts, such as:

- The Regional Pilot Program that provides enhanced incentives for toilet replacement in multi-family residential properties as part of our disadvantaged communities initiative;
- Pre- and post- inspections for member agency administered commercial turf replacement programs; and
- Changes to the turf removal program that included larger allowable square footage for both residential and commercial properties.

These changes require an increase in the number of inspections. Although the Regional Pilot Program is not set to continue as a permanent program at the conclusion of the pilot, turf replacement and the regional program inspections will continue and require full inspection services support. In anticipation of Metropolitan's future outreach and marketing efforts, participation in conservation incentives and inspection activity may increase from current levels.

Staff is requesting the authority to increase the maximum amount payable under this contract from \$200,000 to an amount not-to-exceed \$500,000 per agreement year. Staff anticipates that this increase will be sufficient to continue pre- and post- inspections for Metropolitan's ongoing conservation programs.

## Policy

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Metropolitan Administrative Code Section 3107: Water Use Efficiency Guidelines

## California Environmental Quality Act (CEQA)

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### CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA (Public Resources Code Section 21065, State CEQA Guidelines Section 15378) because the proposed action will not cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

### CEQA determination for Option #2:

None required

## Board Options

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### Option #1

Authorize the General Counsel to increase the amount payable under its agreement with WaterWise Consulting, Inc. by \$300,000 to a maximum amount payable not-to-exceed \$500,000 per agreement year.

**Fiscal Impact:** Payments may increase by \$300,000 under this agreement. Expenditures will remain within the Board authorized amount in the budget.

### Option #2

Do not authorize an increase in the maximum amount payable under this agreement with WaterWise Consulting, Inc., effectively limiting the amount of inspections services for all conservation programming until a new competitive proposal can be awarded.

**Fiscal Impact:** No known fiscal impact, but Metropolitan would issue a new request for proposal with a higher contract value, which may cause an interruption in inspections.

**Staff Recommendation**

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Option #1

  
Brad Coffey  
Manager, Water Resource Management

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8/27/2019

Date

  
Jeffrey Kightlinger  
General Manager

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8/28/2019

Date

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