

NEW YORK CITY WATER BOARD

June 26, 2008

RESOLUTION

WHEREAS, pursuant to Section 1045-g(8) of the New York City Municipal Water Finance Authority Act (the "Act"), the Board is authorized to enter into contracts and to retain private consultants on a contract basis for the purpose of obtaining professional or technical services to assist the Board in carrying out its responsibilities; and,

WHEREAS, in the interest of improved efficiency and reliability in operating the City's drinking water and wastewater collection infrastructure, the New York City Department of Environmental Protection ("DEP") had previously identified to the Board a need for the services of a management consultant to develop a Benchmarking and Best Practices Model for DEP's Bureau of Water and Sewer Operations ("BWSO"); and

WHEREAS, a Request for Proposals ("RFP") in connection with said Benchmarking and Best Practices Model was issued on July 2, 2007 to a total of twenty-eight potential consulting firms, four of which submitted technical and cost proposals for consideration and review by BWSO staff; and

WHEREAS, on December 21, 2007 the Board approved the selection of Huron Consulting Group ("Huron") to perform the necessary services for BWSO based on Huron having proffered the best combination of technical merit and price and thereafter the Executive Director on January 10, 2008 executed an agreement ("the Consulting Agreement") with Huron in the amount of \$830,000; and

WHEREAS, DEP and BWSO staff have indicated to the Board that Huron's performance to date has been less than satisfactory and the Executive Director has requested the authority to i) terminate the Consulting Agreement with Huron upon

such terms and conditions as the Executive Director deems reasonable and appropriate if in his judgment Huron will not be able to provide satisfactory performance of the tasks set forth in the Consulting Agreement and ii) commence negotiations for an immediate replacement with the second highest-rated consulting firm that submitted a proposal in response to the July 2, 2007 RFP and to execute a new agreement with such second highest-rated consulting firm to perform the necessary services, upon such terms as the Executive Director finds reasonable and appropriate, provided that compensation under a new contract shall not exceed the second highest-rated consulting firm's offer of \$790,000 adjusted for a reasonable allowance for inflation over the period of time elapsing since the original submission of proposals; and

WHEREAS, in accordance with the Water Board's Policy on the Procurement of Goods and Services, in particular, Section 4 (selection based on the best combination of technical merit and price) and Section 5.i. (prior approval of contracts where the cumulative value exceeds \$100,000), the Board finds such justification reasonable and appropriate in the present circumstances; it is therefore,

RESOLVED, that the Executive Director is hereby authorized to terminate the Consulting Agreement with Huron if conditions warrant and upon such terms and conditions as the Executive Director may deem reasonable and appropriate; and be it further

RESOLVED, that the Executive Director is hereby authorized and directed to execute a new agreement with the second highest-rated consulting firm that submitted a proposal in response to the July 2, 2007 RFP, upon such terms and conditions as the Executive Director may deem reasonable and appropriate, provided however that the total compensation for services performed shall not exceed \$790,000 plus a reasonable allowance for inflation over the period of time elapsing since the original date proposals were submitted.