

# BOARD OF ALDERMEN

ITEM NO. B(5)

## AGENDA ITEM ABSTRACT MEETING DATE: December 7, 2004

**TITLE: A Request to Award a Telecommunication and Utility Audit Contract**

<b>DEPARTMENT:</b> Management Services	<b>PUBLIC HEARING:</b> No
<b>ATTACHMENTS:</b> A. Resolution B. Contract	<b>FOR INFORMATION CONTACT:</b> Richard White, 918-7314

**PURPOSE:** The Board of Aldermen is requested to authorize the Town Manager to execute a contract with Utilities Reduction Specialists (URS), a cost management company, to audit the town's telecommunication and utility payments to determine if savings may exist.

**INFORMATION:** URS provides auditing, bill management, and consulting services. The firm works to discover and correct billing errors and to recommend cost saving alternatives.

URS will conduct an audit by analyzing telephone and utility billings and records, seek refunds and credits for billing errors, and create a cost savings plan that will identify options that the Town may implement. URS will receive 50% of the refunds or credits up to \$15,000. If the Town chooses to implement any of the cost saving recommendations, URS will receive 25% of those savings over 24 months. The Town will be billed after refunds or savings have been received. If the Town does not receive a refund, credit, or expense reduction, there will be no fee.

In accordance with Town Code requirements, the Town Manager must seek Board approval to enter into contractual agreements that commit the Town to purchase goods and services when the Board of Aldermen has not previously authorized the acquisition of such goods or services and the amount of the contract may exceed \$5,000.

**FISCAL IMPACT:** The Town will not incur expenses unless savings are recognized. However, the expenses incurred will be offset by the savings generated. The payment that may be due to URS in the upcoming year will be budgeted in the departments affected by the savings analysis (Public Works and/or Technology).

### **ADMINISTRATION'S RECOMMENDATION:**

Staff recommends that the Board approve the resolution authorizing the Town Manager to execute a contract with URS to perform a telecommunication and utility audit.