



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: May 19, 2025

SUBJECT

Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with Raftelis Financial Consultants, Inc., for the Water, Wastewater, and Drainage Utilities Cost of Service Study for the Water Utilities Department as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8738 – Professional Services Agreement for a Cost of Service Study awarded to Raftelis Financial Consultants, Inc., in the five (5) year not-to-exceed amount of \$689,803.00).

INFORMATION/BACKGROUND

The Water, Wastewater, and Drainage Utilities has contracted for outside consulting services to perform cost-of-service and rate design analyses approximately every five (5) years. Contracts with our wholesale customers also require a rate study to be performed by an outside consultant within the same timeframe. During interim years, in-house financial staff members perform these studies. These consulting services provide expertise in reviewing all departmental costs (both direct and indirect) and allocation processes, which helps ensure rates are consistent across all rate classes. Although separate rate studies for Water, Wastewater, and Drainage could be accomplished, the close operational relationship between the three (3) utilities makes it technically and financially desirable to complete the studies in a single, coordinated effort.

Their project team will consist of John Mastracchio as project director, Angie Flores as the project manager, and Christopher Williams will serve as Technical Lead/Assistant Project Manager. Additional analytical support will be provided by supporting staff. Raftelis Financial Consultants, Inc., has been involved in numerous water and wastewater cost-of-service analyses across the United States and Texas, including previously for Denton.

Project Description	Estimated Expenditure
Water/Wastewater, Drainage Utilities Study	\$235,093
Annual Maintenance Water/Wastewater	196,000
Annual Maintenance Drainage	196,000
10% Contingency	62,710
Total	\$689,803

Request for Qualifications (RFQ) for professional surveying services was sent to 417 prospective firms, including 14 Denton firms, for these services. In addition, the RFQ was placed on the Procurement website for prospective respondents to download, and advertised in the local newspaper. Four (4) statements of

qualifications (SOQ) were received. The SOQs were evaluated based on published criteria including proposed project scope, content, and sample software model, past performance, experience and qualifications, and schedule. Based upon this evaluation, the recommended award is to Raftelis Financial Consultants, Inc., and is determined to be the most qualified firm for the City.

RECOMMENDATION

Award a contract with Raftelis Financial Consultants, Inc., for the Water, Wastewater, and Drainage Utilities Cost of Service Study for the Utilities Department, in a five (5) year not-to-exceed amount of \$689,803.

PRINCIPAL PLACE OF BUSINESS

Raftelis Financial Consultants, Inc.
Austin, TX

ESTIMATED SCHEDULE OF PROJECT

This is a five (5) year contract.

FISCAL INFORMATION

These services will be funded from Water Project account 630557517.1365.30100. Requisition #170003 has been entered into the Purchasing software system in the amount of \$235,093. The budgeted amount for this item is \$689,803.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Evaluation Sheet
Exhibit 3: Ordinance and Contract

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Azura Kerr, 940-349-7718.

Legal point of contact: Marcella Lunn at 940-349-8333.