



**Recommendation for  
Water & Wastewater Commission**

<b>Commission Meeting Date:</b>	August 9, 2017
<b>Council Meeting Date:</b>	August 31, 2017
<b>Department:</b>	Purchasing
<b>SUBJECT</b>	
<p>Authorize negotiation and execution of a contract with <b>RAFTELIS FINANCIAL CONSULTANTS INC.</b>, to provide consulting services and to assist with developing the rate filing package for use during the impartial hearing examiner process for the Austin Water cost of service and rate review, for a term of one year, in an amount not to exceed \$250,000.</p>	
<b>AMOUNT AND SOURCE OF FUNDING</b>	
Funding is available in the Fiscal Year 2016-2017 Capital Budget of the Austin Water.	
<b>Purchasing Language:</b>	Professional Services
<b>Prior Council Action:</b>	N/A
<b>For More Information:</b>	Georgia Billela, 512-974-2939; Rick Harland, 512-972-0031; Joseph Gonzales, 512-972-0131
<b>Boards and Commission Action:</b>	August 9, 2017- To be reviewed by the Water and Wastewater Commission.
<b>MBE/WBE:</b>	This procurement was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. For the services required for this procurement, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.

The contract is for consulting services that will assist with the impartial hearing examiner process for Austin Water's cost of service and rate review. Raftelis Financial Consultants Inc., (Raftelis) developed the cost of service model that will be used in the rate development. Additionally, Raftelis has been the rate consultant in developing the cost of service methodologies that will be defended in the impartial hearing examiner process.

In addition, Raftelis developed a cost of service rate model, which will be the basis for the impartial hearing examiner rate filing package. They will assist with drafting of the initial rate filing package for the impartial hearing examiner. This will include a detailed drafting of the evolution of Austin Water's cost of service and rates, provide ongoing support and expert testimony on key issues during the impartial hearings examiner's hearings. If the City is unable to secure a contract, the additional meetings and data for the impartial hearing examiner process will be greatly impacted.