

ORDINANCE NO. 21-806

AN ORDINANCE OF THE CITY OF DENTON, A TEXAS HOME-RULE MUNICIPAL CORPORATION, AUTHORIZING THE CITY MANAGER, OR THEIR DESIGNEE, TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH NEWGEN STRATEGIES AND SOLUTIONS, LLC, FOR THE ELECTRIC UTILITY COST OF SERVICE AND RATE DESIGN STUDY FOR DENTON MUNICIPAL ELECTRIC, AS SET FORTH IN THE CONTRACT; PROVIDING FOR THE EXPENDITURE OF FUNDS THEREFOR; AND PROVIDING AN EFFECTIVE DATE (RFQ 7628 – PROFESSIONAL SERVICES AGREEMENT FOR COST SERVICES AWARDED TO NEWGEN STRATEGIES AND SOLUTIONS, LLC, IN THE FIVE (5) YEAR NOT-TO-EXCEED AMOUNT OF \$169,500.00).

WHEREAS, NewGen Strategies and Solutions, LLC, the professional services provider (the “Provider”) set forth in this ordinance, is being selected as the most highly qualified on the basis of its demonstrated competence and qualifications to perform the proposed professional services; and

WHEREAS, the fees under the proposed contract are fair and reasonable and are consistent with, and not higher than, the recommended practices and fees published by the professional associations applicable to the Provider’s profession, and such fees do not exceed the maximum provided by law; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The City Manager, or their designee, is authorized to enter into the professional service contract attached hereto with NewGen Strategies and Solutions, LLC, for an Electric Utility Cost of Service and Rate Design Study for Denton Municipal Electric.

SECTION 2. The City Manager, or their designee, is authorized to expend funds as required by the attached contract.

SECTION 3. The City Council of the City of Denton, Texas expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under this ordinance to the City Manager of the City of Denton, or their designee.

SECTION 4. The findings in the preamble of this ordinance are incorporated herein by reference.

SECTION 5. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by John Ryan and seconded by Deb Armitos. The ordinance was passed and approved by the following vote 7 - 0:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Birdia Johnson, District 1:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Connie Baker, District 2:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Jesse Davis, District 3:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
John Ryan, District 4:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Deb Armintor, At Large Place 5:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>
Paul Meltzer, At Large Place 6:	<u>✓</u>	<u> </u>	<u> </u>	<u> </u>


PASSED AND APPROVED this the 4th day of May, 2021.

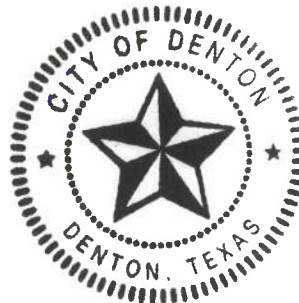

GERARD HUDSPETH, MAYOR

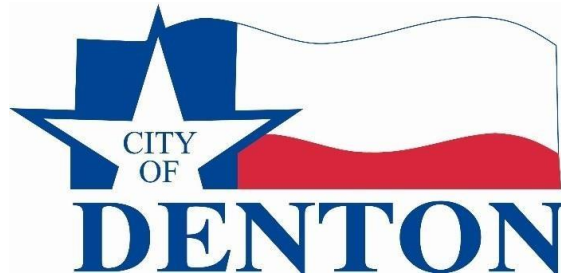
ATTEST:
ROSA RIOS, CITY SECRETARY

BY: 

APPROVED AS TO LEGAL FORM:
AARON LEAL, CITY ATTORNEY

BY: 
Digitally signed by Marcella Lunn
 DN: dc=com, dc=cityofdenton, dc=codad,
 ou=Department Users and Groups, ou=General
 Government, ou=Legal, cn=Marcella Lunn,
 email=Marcella.Lunn@cityofdenton.com
 Date: 2021.04.08 15:41:08 -0500





Docusign City Council Transmittal Coversheet

RFQ	7628
File Name	Cost of Service Study
Purchasing Contact	Christa Christian
City Council Target Date	MAY 4, 2021
Piggy Back Option	Not Applicable
Contract Expiration	MAY 4, 2026
Ordinance	21-806

**PROFESSIONAL SERVICES AGREEMENT
FOR CONSULTING SERVICES
FILE 7628**

STATE OF TEXAS §

COUNTY OF DENTON §

THIS AGREEMENT (the "Agreement") is made and entered into on 05/04/2021, by and between the City of Denton, Texas, a Texas municipal corporation, with its principal office at 215 East McKinney Street, Denton, Denton County, Texas 76201, hereinafter called "OWNER" and NewGen Strategies and Solutions, LLC with its corporate office at 225 Union Blvd., Suite 305, Lakewood, CO 80228, hereinafter called "CONSULTANT," acting herein, by and through their duly authorized representatives.

WITNESSETH, that in consideration of the covenants and agreements herein contained, the parties hereto do mutually agree as follows:

**ARTICLE I
CONSULTANT AS INDEPENDENT CONTRACTOR**

The OWNER has selected CONSULTANT on the basis of demonstrated competence and qualifications to perform the services herein described for a fair and reasonable price pursuant to Chapter 2254 of the Texas Government Code. The OWNER hereby contracts with the CONSULTANT as an independent contractor and not as an employee, and as such, the OWNER will not assert control over the day-to-day operations of the CONSULTANT. The CONSULTANT is customarily engaged to provide services as described herein independently and on a nonexclusive basis in the course of its business. This Agreement does not in any way constitute a joint venture between OWNER and CONSULTANT. The CONSULTANT hereby agrees to perform the services described herein based on the skills required for the scope of work in connection with the Project as stated in the sections to follow, with diligence and in accordance with the highest professional standards customarily obtained for such services in the State of Texas. The professional services set out herein are in connection with the following described project:

The Project shall include, without limitation, Electrical Cost of Service Study, as described in Exhibit A, which is on file at the purchasing office and incorporated herein (the "Project").

**ARTICLE II
SCOPE OF BASIC SERVICES**

The CONSULTANT shall perform the following services in a professional manner:

- A. The CONSULTANT shall perform all those services as necessary and as described in the OWNER's RFQ 7628 – Electric Cost of Service Study which is on file at the purchasing office and made a part hereof as **Exhibit A** as if written word for word herein.
- B. To perform all those services set forth in CONSULTANT's proposal, which proposal is attached hereto and made a part hereof as **Exhibit B** as if written word for word herein.
- C. CONSULTANT shall perform all those services set forth in individual task orders, as described in **Exhibit B**, which shall be attached to this Agreement and made a part hereof.
- D. If there is any conflict between the terms of this Agreement and the exhibits attached to this Agreement, the terms and conditions of this Agreement will control over the terms and conditions of the attached exhibits or task orders.

ARTICLE III **ADDITIONAL SERVICES**

Additional services to be performed by the CONSULTANT, if authorized by the OWNER, which are not included in the above-described Basic Services, may be negotiated as needed, per rates included in **Exhibit B**.

- A. Preparing applications and supporting documents for government grants, loans, or planning advances and providing data for detailed applications.
- B. Preparing data and reports for assistance to OWNER in preparation for hearings before regulatory agencies, courts, arbitration panels or mediator, giving testimony, personally or by deposition, and preparations therefore before any regulatory agency, court, arbitration panel or mediator.
- C. Assisting OWNER in preparing for, or appearing at litigation, mediation, arbitration, dispute review boards, or other legal and/or administrative proceedings in the defense or prosecution of claims disputes with Contractor(s).
- D. Assisting OWNER in the defense or prosecution of litigation in connection with or in addition to those services contemplated by this AGREEMENT. Such services, if any, shall be furnished by CONSULTANT on a fee basis negotiated by the respective parties outside of and in addition to this AGREEMENT.
- E. Visits to the site in excess of the number of trips included in **Exhibit B**.
- F. Preparing statements for invoicing or other documentation for billing other than for the standard invoice for services attached to this professional services agreement.

ARTICLE IV **TIME OF COMPLETION**

CONSULTANT is authorized to commence work under this contract upon execution of this AGREEMENT. CONSULTANT shall perform and complete its obligations herein in a prompt and continuous manner, so as to not delay the completion of the Project in accordance with the schedules as described in **Exhibit B**. The contract shall remain effective for a period which may reasonably be required for the completion of the Project, acceptance by an authorized representative of the OWNER, exhaustion of authorized funds, or termination as provided in this Agreement, whichever occurs first.

ARTICLE V **COMPENSATION**

A. COMPENSATION TERMS:

1. "Subcontract Expense" is defined as expenses incurred by the CONSULTANT in employment of others in outside firms for services related to this agreement.
2. "Direct Non-Labor Expense" is defined as that expense for any assignment incurred by the CONSULTANT for supplies, transportation and equipment, travel, communications, subsistence, and lodging away from home, and similar incidental expenses in connection with that assignment.

B. BILLING AND PAYMENT: For and in consideration of the professional services to be performed by the CONSULTANT herein, the OWNER agrees to pay, based on the cost estimate detail at an hourly rate shown in **Exhibit B** which is attached hereto and made a part of this Agreement as if written word for word herein, a total fee, including reimbursement for direct non-labor expenses not to exceed **\$169,500**.

Partial payments to the CONSULTANT will be made on the basis of detailed monthly statements rendered to and approved by the OWNER through its City Manager or his designee; however, under no circumstances shall any monthly statement for services exceed the value of the work performed at the time a statement is rendered.

Nothing contained in this Article shall require the OWNER to pay for any work which is unsatisfactory, as reasonably determined by the City Manager or his designee, or which is not submitted in compliance with the terms of this Agreement. The OWNER shall not be required to make any payments to the CONSULTANT when the CONSULTANT is in default under this Agreement.

It is specifically understood and agreed that the CONSULTANT shall not be authorized to undertake any work pursuant to this Agreement which would require additional payments by the OWNER for any charge, expense, or reimbursement above the maximum not to exceed fee as stated, without first having obtained written authorization from the OWNER. The CONSULTANT shall not proceed to perform the services listed

in Article III “Additional Services,” without obtaining prior written authorization from the OWNER.

- C. **ADDITIONAL SERVICES:** For additional services authorized in writing by the OWNER in Article III, the CONSULTANT shall be paid based on the Schedule of Charges at an hourly rate shown in **Exhibit B**. Payments for additional services shall be due and payable upon submission by the CONSULTANT and approval by the City staff, and shall be in accordance with subsection B hereof. Statements shall not be submitted more frequently than monthly.
- D. **PAYMENT:** If the OWNER fails to make payments due the CONSULTANT for services and expenses within thirty (30) days after receipt of the CONSULTANT’s undisputed statement thereof, the amounts due the CONSULTANT will be paid interest in accordance with the Texas Government Code 2251.025. Additionally, the CONSULTANT may, after giving seven (7) days’ written notice to the OWNER, suspend services under this Agreement until the CONSULTANT has been paid in full all amounts due for services, expenses, and charges. Nothing herein shall require the OWNER to pay the late charge if the OWNER reasonably determines that the work is unsatisfactory, in accordance with this Article V, “Compensation,” there is a bona fide dispute concerning the amount due, or the invoice was not mailed to the address or in the form as described in this Agreement. The OWNER will notify CONSULTANT of any disputes within twenty-one (21) days of receipt of the invoice.
- E. **Invoices** shall be sent directly to the City of Denton Accounts Payable Department, 215 E McKinney St, Denton, TX, 76201-4299. A pro-forma invoice shall be sent to the contract administrator. It is the intention of the City of Denton to make payment on completed orders within thirty days after receipt of invoice or items; whichever is later, unless unusual circumstances arise. **Invoices must be fully documented as to labor, materials, and equipment provided, if applicable, and must reference the City of Denton Purchase Order Number in order to be processed. No payments shall be made on invoices not listing a Purchase Order Number.**

ARTICLE VI

OBSERVATION AND REVIEW OF THE WORK

The CONSULTANT will exercise reasonable care and due diligence in discovering and promptly reporting to the OWNER any defects or deficiencies in the work of the CONSULTANT or any subcontractors or subconsultants.

ARTICLE VII

OWNERSHIP OF DOCUMENTS

All documents prepared or furnished by the CONSULTANT (and CONSULTANT’s subcontractors or subconsultants) pursuant to this Agreement are instruments of service, and shall become the property of the OWNER upon the termination of this Agreement. The CONSULTANT is entitled to retain copies of all such documents. The documents prepared and furnished by the CONSULTANT are intended only to be applicable to this Project, and

OWNER's use of these documents in other projects shall be at OWNER's sole risk and expense. In the event the OWNER uses any of the information or materials developed pursuant to this Agreement in another project or for other purposes than specified herein, CONSULTANT is released from any and all liability relating to their use in that project.

ARTICLE VIII **INDEMNITY AGREEMENT**

THE CONSULTANT SHALL INDEMNIFY AND SAVE AND HOLD HARMLESS THE OWNER AND ITS OFFICERS, OFFICIALS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL LIABILITY, CLAIMS, DEMANDS, DAMAGES, LOSSES, AND EXPENSES, INCLUDING, BUT NOT LIMITED TO COURT COSTS AND REASONABLE ATTORNEY FEES ASSERTED AGAINST OR INCURRED BY THE OWNER, AND INCLUDING, WITHOUT LIMITATION, DAMAGES FOR BODILY AND PERSONAL INJURY, DEATH AND PROPERTY DAMAGE, RESULTING FROM THE NEGLIGENT ACTS OR OMISSIONS OF THE CONSULTANT OR ITS OFFICERS, SHAREHOLDERS, AGENTS, OR EMPLOYEES INCIDENTAL TO, RELATED TO, AND IN THE EXECUTION, OPERATION, OR PERFORMANCE OF THIS AGREEMENT.

Nothing in this Agreement shall be construed to create a liability to any person who is not a party to this Agreement, and nothing herein shall waive any of the parties' defenses, both at law or equity, to any claim, cause of action, or litigation filed by anyone not a party to this Agreement, including the defense of governmental immunity, which defenses are hereby expressly reserved.

ARTICLE IX **INSURANCE**

During the performance of the services under this Agreement, CONSULTANT shall maintain insurance in compliance with the requirements of **Exhibit C** which is attached hereto and made a part of this Agreement as if written word for word herein.

ARTICLE X **ALTERNATIVE DISPUTE RESOLUTION**

The parties may agree to settle any disputes under this Agreement by submitting the dispute to mediation with each party bearing its own costs of mediation. No mediation arising out of or relating to this Agreement, involving one party's disagreement may include the other party to the disagreement without the other's approval. Mediation will not be a condition precedent to suit.

ARTICLE XI **TERMINATION OF AGREEMENT**

- A. Notwithstanding any other provision of this Agreement, either party may terminate by giving thirty (30) days' advance written notice to the other party.

- B. This Agreement may be terminated in whole or in part in the event of either party substantially failing to fulfill its obligations under this Agreement. No such termination will be affected unless the other party is given (1) written notice (delivered by certified mail, return receipt requested) of intent to terminate and setting forth the reasons specifying the non-performance, and not less than fifteen (15) calendar days to cure the failure; and (2) an opportunity for consultation with the terminating party prior to termination.
- C. If the Agreement is terminated prior to completion of the services to be provided hereunder, CONSULTANT shall immediately cease all services and shall render a final bill for services to the OWNER within thirty (30) days after the date of termination. The OWNER shall pay CONSULTANT for all services properly rendered and satisfactorily performed and for reimbursable expenses to termination incurred prior to the date of termination, in accordance with Article V "Compensation." Should the OWNER subsequently contract with a new consultant for the continuation of services on the Project, CONSULTANT shall cooperate in providing information. The CONSULTANT shall turn over all documents prepared or furnished by CONSULTANT pursuant to this Agreement to the OWNER on or before the date of termination, but may maintain copies of such documents for its use.

ARTICLE XII

RESPONSIBILITY FOR CLAIMS AND LIABILITIES

Approval by the OWNER shall not constitute, nor be deemed a release of the responsibility and liability of the CONSULTANT, its employees, associates, agents, subcontractors, and subconsultants for the accuracy and competency of their designs or other work; nor shall such approval be deemed to be an assumption of such responsibility by the OWNER for any defect in the design or other work prepared by the CONSULTANT, its employees, subcontractors, agents, and consultants.

ARTICLE XIII

NOTICES

All notices, communications, and reports required or permitted under this Agreement shall be personally delivered or mailed to the respective parties by depositing same in the United States mail to the address shown below, certified mail, return receipt requested, unless otherwise specified herein. Mailed notices shall be deemed communicated as of three (3) days' mailing:

To CONSULTANT:

NewGen Strategies and Solutions, LLC
 Scott Burnham
 225 Union Blvd., Suite 305
 Lakewood, CO 80228

To OWNER:

City of Denton
 Purchasing Manager –File 7628
 901B Texas Street
 Denton, Texas 76201

All notices shall be deemed effective upon receipt by the party to whom such notice is given, or within three (3) days' mailing.

ARTICLE XIV **ENTIRE AGREEMENT**

This Agreement and related exhibits constitute the complete and final expression of this Agreement of the parties, and is intended as a complete and exclusive statement of the terms of their agreements, and supersedes all prior contemporaneous offers, promises, representations, negotiations, discussions, communications, and agreements which may have been made in connection with the subject matter hereof.

ARTICLE XV **SEVERABILITY**

If any provision of this Agreement is found or deemed by a court of competent jurisdiction to be invalid or unenforceable, it shall be considered severable from the remainder of this Agreement and shall not cause the remainder to be invalid or unenforceable. In such event, the parties shall reform this Agreement to replace such stricken provision with a valid and enforceable provision which comes as close as possible to expressing the intention of the stricken provision.

ARTICLE XVI **COMPLIANCE WITH LAWS**

The CONSULTANT shall comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to the work covered hereunder as those laws may now read or hereinafter be amended.

ARTICLE XVII **DISCRIMINATION PROHIBITED**

In performing the services required hereunder, the CONSULTANT shall not discriminate against any person on the basis of race, color, religion, sex, sexual orientation, national origin or ancestry, age, or physical handicap.

ARTICLE XVIII **PERSONNEL**

- A. The CONSULTANT represents that it has or will secure, at its own expense, all personnel required to perform all the services required under this Agreement. Such personnel shall not be employees or officers of, or have any contractual relations with the OWNER. CONSULTANT shall inform the OWNER of any conflict of interest or potential conflict of interest that may arise during the term of this Agreement.
- B. All services required hereunder will be performed by the CONSULTANT or under its supervision. All personnel engaged in work shall be qualified, and shall be authorized and permitted under state and local laws to perform such services.

ARTICLE XIX **ASSIGNABILITY**

The CONSULTANT acknowledges that this Agreement is based on the demonstrated competence and specific qualifications of the CONSULTANT and is therefore personal as to the CONSULTANT. Therefore, the CONSULTANT shall not assign any interest in this Agreement, and shall not transfer any interest in this Agreement (whether by assignment, novation, or otherwise) without the prior written consent of the OWNER.

ARTICLE XX **MODIFICATION**

No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith, and no evidence of any waiver or modification shall be offered or received in evidence in any proceeding arising between the parties hereto out of or affecting this Agreement, or the rights or obligations of the parties hereunder, and unless such waiver or modification is in writing and duly executed; and the parties further agree that the provisions of this section will not be waived unless as set forth herein.

ARTICLE XXI **MISCELLANEOUS**

A. The following exhibits are attached to and made a part of this Agreement:

Exhibit A – RFQ 7628 – Electric Cost of Study Service for the City of Denton (on file at the purchasing office)

Exhibit B – Consultant's Scope of Services Offer, Project Schedule and Rate Sheet

Exhibit C – Consultant's Insurance Requirements

Exhibit D – Conflict of Interest Questionnaire

What is called for by one exhibit shall be as binding as if called for by all. In the event of an inconsistency or conflict in this Agreement and any of the provisions of the exhibits, the inconsistency or conflict shall be resolved by giving precedence first to this Agreement then to the exhibits in the order in which they are listed above.

B. This Agreement shall be governed by, construed, and enforced in accordance with, and subject to, the laws of the State of Texas or federal law, where applicable, without regard to the conflict of law principles of any jurisdiction. In the event there shall be any dispute arising out of the terms and conditions of, or in connection with, this Agreement, the party seeking relief shall submit such dispute to the District Courts of Denton County or if federal diversity or subject matter jurisdiction exists, to the United States District Court for the Eastern District of Texas-Sherman Division.

- C. For the purpose of this Agreement, the key persons who will perform most of the work hereunder shall be Jill Schuepbach. However, nothing herein shall limit CONSULTANT from using other equally qualified and competent members of its firm to perform the services required herein.
- D. CONSULTANT shall commence, carry on, and complete any and all projects with all applicable dispatch, in a sound, economical, and efficient manner and in accordance with the provisions hereof. In accomplishing the projects, CONSULTANT shall take such steps as are appropriate to ensure that the work involved is properly coordinated with related work being carried on by the OWNER.
- E. The OWNER shall assist the CONSULTANT by placing at the CONSULTANT's disposal all available information pertinent to the Project, including previous reports, any other data relative to the Project, and arranging for the access thereto, and make all provisions for the CONSULTANT to enter in or upon public and private property as required for the CONSULTANT to perform services under this Agreement.
- F. The captions of this Agreement are for informational purposes only, and shall not in any way affect the substantive terms or conditions of this Agreement.
- G. The parties agree to transact business electronically. Any statutory requirements that certain terms be in writing will be satisfied using electronic documents and signing. Electronic signing of this document will be deemed an original for all legal purposes.

ARTICLE XXII

INDEPENDENT CONTRACTOR

CONSULTANT shall provide services to OWNER as an independent contractor, not as an employee of the OWNER. CONSULTANT shall not have or claim any right arising from employee status.

ARTICLE XXIII

RIGHT TO AUDIT

The OWNER shall have the right to audit and make copies of the books, records and computations pertaining to this agreement. The CONTRACTOR shall retain such books, records, documents and other evidence pertaining to this agreement during the contract period and five years thereafter, except if an audit is in progress or audit findings are yet unresolved, in which case records shall be kept until all audit tasks are completed and resolved. These books, records, documents and other evidence shall be available, within 10 business days of written request. Further, the CONTRACTOR shall also require all Subcontractors, material suppliers, and other payees to retain all books, records, documents and other evidence pertaining to this

agreement, and to allow the OWNER similar access to those documents. All books and records will be made available within a 50 mile radius of the City of Denton. The cost of the audit will be borne by the OWNER unless the audit reveals an overpayment of 1% or greater. If an overpayment of 1% or greater occurs, the reasonable cost of the audit, including any travel costs, must be borne by the CONTRACTOR which must be payable within five business days of receipt of an invoice.

Failure to comply with the provisions of this section shall be a material breach of this contract and shall constitute, in the OWNER'S sole discretion, grounds for termination thereof. Each of the terms "books", "records", "documents" and "other evidence", as used above, shall be construed to include drafts and electronic files, even if such drafts or electronic files are subsequently used to generate or prepare a final printed document.

ARTICLE XXIV

Prohibition On Contracts With Companies Boycotting Israel

Consultant acknowledges that in accordance with Chapter 2270 of the Texas Government Code, City is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this agreement, Consultant certifies that Consultant's signature provides written verification to the City that Consultant: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the agreement.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

ARTICLE XXV

Prohibition On Contracts With Companies Doing Business with Iran, Sudan, or a Foreign Terrorist Organization

Section 2252 of the Texas Government Code restricts CITY from contracting with companies that do business with Iran, Sudan, or a foreign terrorist organization. ***By signing this agreement, Consultant certifies that Consultant's signature provides written verification to the City that Consultant, pursuant to Chapter 2252, is not ineligible to enter into this agreement and will not become ineligible to receive payments under this agreement by doing business with Iran, Sudan, or a foreign terrorist organization.*** Failure to meet or maintain the requirements under this provision will be considered a material breach.

ARTICLE XXVI

CERTIFICATE OF INTERESTED PARTIES ELECTRONIC FILING

In 2015, the Texas Legislature adopted House Bill 1295, which added section 2252.908 of the Government Code. The law states that the City may not enter into this contract unless the Consultant submits a disclosure of interested parties (Form 1295) to the City at the time the Consultant submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Consultant will be required to furnish a Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The consultant shall:

1. Log onto the State Ethics Commission Website at :
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm
2. Register utilizing the tutorial provided by the State
3. Print a copy of the completed Form 1295
4. Enter the Certificate Number on page 2 of this contract.
5. Complete and sign the Form 1295
6. Email the form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The OWNER must acknowledge the receipt of the filed Form 1295 not later than the 30th day after Council award. Once a Form 1295 is acknowledged, it will be posted to the Texas Ethics Commission's website within seven business days.

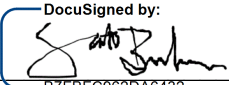
ARTICLE XXVII
PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS

No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation as defined in the City's Ethic Ordinance 18-757 and in the City Charter chapter 2 article XI(Ethics). Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City. The Consultant shall complete and submit the City's Conflict of Interest Questionnaire.

IN WITNESS HEREOF, the City of Denton, Texas has caused this Agreement to be executed by its duly authorized City Manager, and CONSULTANT has executed this Agreement through its duly authorized undersigned officer on this date Cheyenne DeFee.

CONSULTANT

NewGen Strategies and Solutions, LLC

BY:  DocuSigned by:
B7FBE0C962DA6432
AUTHORIZED SIGNATURE

Printed Name: Scott Burnham

Title: Director


7202591762

PHONE NUMBER

sburnham@newgenstrategies.net

EMAIL ADDRESS


CITY OF DENTON, TEXAS

BY:  DocuSigned by:
5236DB296270423

Title: Interim City Manager


ATTEST:

ROSA RIOS, CITY SECRETARY

BY:  DocuSigned by:
1C5CA8C5E175493...

APPROVED AS TO LEGAL FORM:

AARON LEAL, CITY ATTORNEY

BY:  DocuSigned by:
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TO COME

TEXAS ETHICS COMMISSION
1295 CERTIFICATE NUMBER

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational obligations and business terms.

DocuSigned by:

Antonio Puente

Antonio Puente

E3760944C2BF4B5

SIGNATURE

PRINTED NAME

Exec Mgr of Utilities

TITLE

Electric

DEPARTMENT

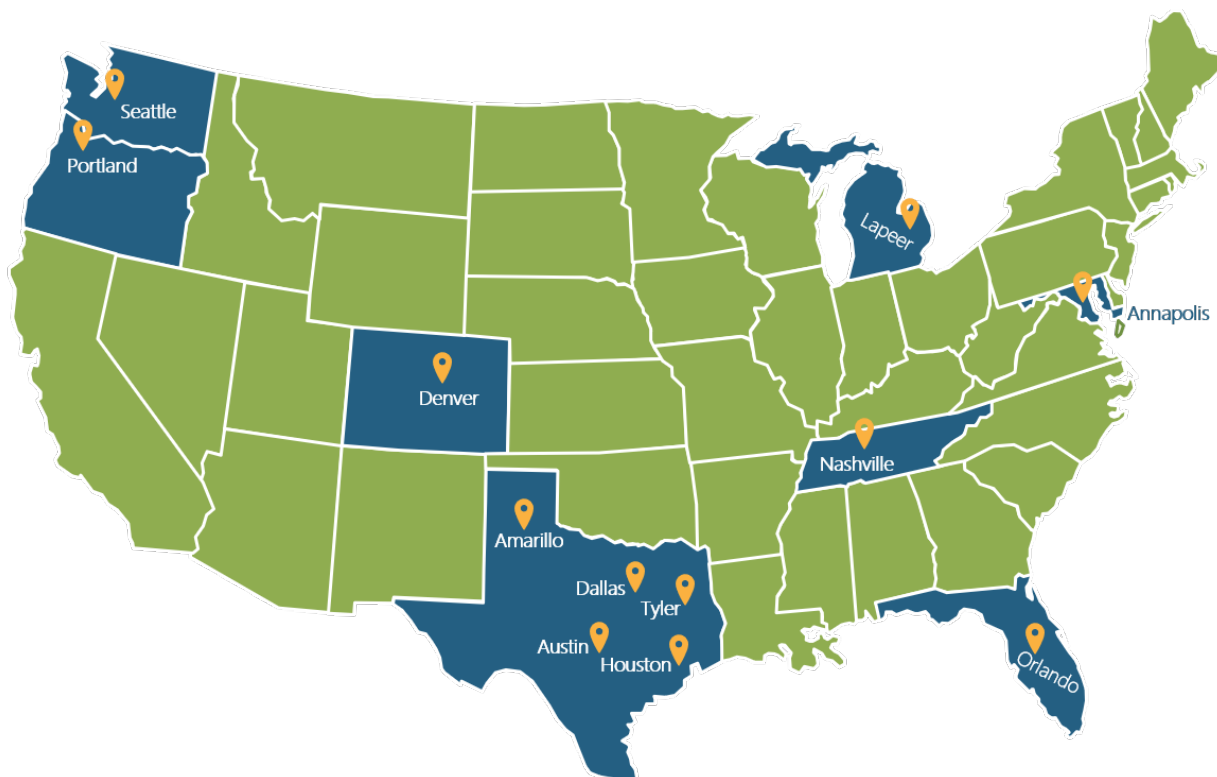
Exhibit A
RFQ 7628 Electric Cost of Study Service
(on file in the purchasing office)

COMPANY HISTORY AND BACKGROUND

NewGen Strategies and Solutions, LLC (NewGen) is a management and economic consulting firm specializing in serving the utility industry and market. Established in August 2012, NewGen primarily serves public sector utilities and provides nationally recognized expertise in utility cost of service (COS) and rate design studies, load forecasting, financial feasibility studies, municipalization efforts, depreciation and appraisal studies, litigation support for state and federal regulatory proceedings, utility financial planning, and stakeholder engagement for electric, water, wastewater, solid waste, and natural gas utilities.

NewGen was created by consultants who are dedicated to our clients' missions and recognized as experts in our respective fields of service. ***"Thoughtful Decision Making for Uncertain Times"*** succinctly describes our capability to provide our clients with solutions and recommendations tempered with our keen insight into the growing role of stakeholders, resource availability (including renewables), environmental concerns, cost of providing utility services, and economic conditions. This ensures an integrated approach to delivering our products and services.

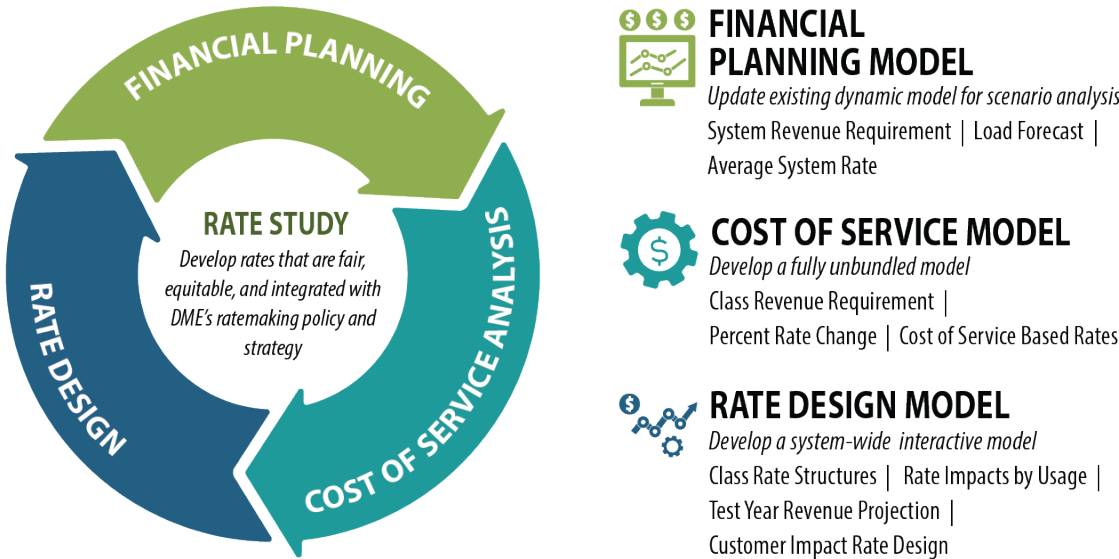
NewGen employs 48 professional and administrative staff, with 11 ownership members and a Board of Directors. Our current staff has the capability to work on simultaneous assignments, and we have the capacity to add staff and/or expand support from a network of teaming partners if needed. NewGen has 10 offices located nationwide.



PROJECT APPROACH AND PROPOSED METHODOLOGY

Denton Municipal Electric (DME), like many public utilities across the country, is facing a number of complex market, policy, resource, financial, stakeholder, and environmental issues that will likely drive increasing costs and require additional flexibility and agility by the utility and its rates. In addition to the amplification of broader electric utility market trends such as distributed generation, conservation, renewable policies, pressure on rates, and increasing customer engagement, DME must plan for notable growth in the electric system.

Any effort to navigate or address these complex issues must be integrated with DME’s broader ratemaking policy and strategy. NewGen is well-equipped to provide the services and deliverables DME is requesting for this assignment. We previously worked closely with the utility to develop an existing financial planning model and an Advanced Metering Infrastructure (AMI)-based Time of Use (TOU) Rate Design Model, both of which will be critical in the success of this Study. Our approach for the Study is to expand our collaborative working relationship with DME in updating and expanding the Financial Planning model to include the known and measurable changes that are expected to occur in the near future. We will develop a comprehensive and fully-allocated COS model that will apply industry standard methodologies and DME’s unique characteristics to assign costs to the utility’s rate classes. In addition, NewGen proposes to update the AMI Rate Design Model used for TOU rate design to quantify the impacts of recommended rate changes on each of DME’s customers. NewGen’s vision is to integrate these three primary planning models for DME to optimize its rate setting processes. The following graphic illustrates our vision for the Study:



Financial Planning Model

The financial planning model forecasts revenues and expenses to evaluate potential average class revenues from rates, financing options, changes in system loads, capital improvements, or other items as desired by DME. The model includes a “dashboard” that allows for dynamic scenario analyses, which

provides DME with flexibility in determining the appropriate mix of rate changes, capital projects, debt issuances, or other variables to meet budgetary or capital constraints and to inform defensible decision-making. The model will be updated and expanded to address DME's policy issues and future growth plans and will provide the total system Revenue Requirement for use in the COS model.

Cost of Service Model

The COS model will functionalize, unbundle, classify, and allocate the total system Revenue Requirement for each DME customer class. The COS model provides insight on the underlying nature of DME's costs and will identify those that are fixed and those that are variable. The COS model also provides valuable information to support a variety of charges that recover fixed costs, such as customer charges, minimum charges, delivery charges, and demand charges. As part of the COS process, we will review existing rate classes and make recommendations for adjustments, as appropriate. The results from the COS will be incorporated into the Rate Design model and provide guidance for setting cost-based rates.

Rate Design Model

The Rate Design model will compare each of the existing customer class's rate structures, including demand, customer, energy, Energy Cost Adjustment (ECA), and related components, with the COS results. This initial review of the rate structures will identify any intra-class subsidies and misalignments in the recovery of fixed and variable costs. NewGen will collaborate with DME to develop recommendations for structural rate adjustments or modifications to achieve its ratemaking policy and financial goals. All recommended structures will rely upon COS results to provide a cost-based justification and defensibility for the changes.

Included in the Rate Design Model will be a Customer Impact Model, which is an interactive model that contains every customer served by DME. This model will be designed to evaluate the impacts to DME customers from rate and rate structure changes as a result of the COS process and rate recommendations developed for this Study. The advantage of our Customer Impact Rate Design Model is that it provides the entire range of impacts to all customers from changes in rates and rate structures, rather than solely focusing on representative customers. By developing a histogram of the rate impacts for each customer within a rate class, DME can determine a course of action with a complete understanding of those impacts, either as a percentage of current bills or a monthly dollar change. Additionally, by identifying those accounts with significant changes, DME can proactively reach out to specific customers to determine if a utility-led program may be appropriate for their premise.

As part of this Study, NewGen proposes to update the AMI Rate Design Model previously designed. The model includes dynamic and instant analyses of TOU rate options, projections of load profile, and demand reduction opportunities to integrate with DME's resource planning efforts.

Scope of Services

Phase 1: Project Management

Open lines of communication and a clear understanding of project goals and objectives are critical to the overall success of the project. NewGen prides itself on projects done well, on time, and on budget. We have a strong track record of satisfied long-term clients. Given our objective to completely satisfy DME during this engagement, tasks within this phase are designed to facilitate achievement of this objective.

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Task 1.1: Data Request and Kick-Off Meeting

Upon receiving the notice to proceed, NewGen will deliver a Data Request to gather the data and information required to perform the Study. As data is submitted, NewGen will review the DME data and identify any potential gaps in information or additional data required to conduct our analyses.

After reviewing the data, NewGen will schedule a Kick-Off Meeting with DME. Depending upon the preferences of the DME Team, and in consideration of any coronavirus disease (COVID-19) restrictions, NewGen can be available to host the Kick-Off Meeting remotely via webinar or to attend the meeting in person in Denton. The purpose of the meeting is to discuss all five phases of the Study. During the meeting, NewGen will facilitate a discussion of DME's broader utility strategy, financial goals, and ratemaking policies to provide a framework for the various tasks to be completed during the Study. In particular, the Study should act to align with and communicate DME's broader strategy through the delivery of proper pricing signals to customers.

This meeting will also include a discussion of schedule and deliverables, including potential progress meetings with the DME Team, Citizen Groups, City Council, and Public Utilities Board (PUB), where applicable.

Task 1.2: Communication and Progress Reports

During the Kick-Off Meeting, we will establish a communication plan whereby members of the combined DME and NewGen teams agree to the frequency and type of communication that will be adhered to throughout the Study. Typically, we schedule a periodic conference call where members of the combined teams can discuss project issues as they arise. We will also provide DME with a monthly written Project Guide by phase that will give DME a project progress report. The guide will identify the various responsibilities of NewGen and DME team members, the status of outstanding data requests and work product deliverables, and the expected near-term schedule. The Monthly Project Guide will be developed concurrent with the monthly invoices and will provide a status of labor expenses incurred to date by month and remaining budget.

Phase 1 Deliverables:

- Data Request
- A half-day Kick-Off Meeting via webinar or in person attended by up to two members of the Project Team
- Establish communication plan regarding project progress as mutually agreed upon by the combined DME and NewGen teams
- Monthly Project Guide to be submitted to DME along with invoicing

Phase 2: Financial Forecast and Revenue Requirement

Task 2.1 Financial Planning Model Update and Expansion

NewGen will work with DME to update and expand the existing Financial Planning model, which forecasts revenues by customer class and expenses for five years to evaluate potential rate, debt, changes in loads, capital impacts, and/or other items as requested by DME. The model includes a "dashboard" to allow for dynamic scenario analyses. This scenario analysis tool provides flexibility to determine the optimal mix of

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various financing approaches (retained earnings or rate revenue compared to new debt) and investment (capital projects, rebates for policy objectives, etc.). This will allow DME management and staff to make informed and defensible decisions regarding future courses of action. The results of the various scenarios will be evaluated utilizing key performance indicators (KPIs) which will be developed in coordination with DME management and staff during the financial modeling process. The customized tools allow for dynamic and complete analysis of the various inputs/variables and produce easy-to-understand tables and graphs that aid DME in communicating this information to various stakeholders engaged in the project. We will host a webinar to review and make final revisions to the financial planning model.



The model NewGen built for DME includes embedded instructions and guidance that can be accessed within the model's customized menus. The model also contains custom ribbons in Microsoft Excel to provide functionality and instructions in addition to pop-up windows with additional capability to "drill down" into specific areas for instructions. The model includes integrated error and data validity checking. This error checking features the ability for update notifications, user update logs, and version control/dates.

Task 2.2: Development of Revenue Requirement

The Financial Planning Model will be used to develop the Test Year Revenue Requirement (Revenue Requirement) used in the COS. Test Year means that actual historical costs are adjusted using current information so that the "shelf-life" of adopted rates are sufficient over the Study period. The Revenue Requirement to be included in the COS will include all costs the utility must collect through rates for the fiscal years (FY) 2022 through FY 2026 period. It will also include any known and measurable adjustments necessary to account for material or significant changes to the DME system, such as a new load associated with large-use customers, anticipated opportunities for wholesale sales, and/or projected changes in generation resources and power market fluctuations.

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Utility Basis versus Cash Basis

The current financial forecast was developed on a Cash Basis, which is the traditional method by which municipal electric utilities design rates. Investor-owned utilities utilize the Utility Basis given their cost structure and for-profit regulated business model. DME requested a Revenue Requirement developed on a Utility Basis. While we will work with DME to provide what is desired, NewGen recommends utilizing a Cash Basis and methodology consistent with the establishment of municipal utility rates, which would include, at a minimum, operation and maintenance (O&M) expenses, debt service, cash funded capital, transfers to the City, and reserve requirements related to debt service coverage covenants or other utility financial policies.

A Utility Basis Revenue Requirement may be included at a summary level (i.e., a modified Cash Basis summary to exclude debt service and capital/reserves, and include depreciation, interest expense, and return on equity) for comparison purposes at DME's request. NewGen will utilize information provided by DME with regard to the rate base (gross and net plant) and annual depreciation as recorded by the City. Furthermore, we will work with DME to develop an appropriate Return on Equity (ROE) to be utilized for the basis of return, given the risks for municipal utilities, as well as a comparison to comparable private utility companies. This will be combined with DME's cost of debt to provide a Return on Investment (ROI) applicable to a Utility Basis approach for the municipal utility. The results between the Cash Basis and the Utility Basis will be compared and discussed with DME management, if desired.

Task 2.2 Financial Planning Model Training

NewGen will provide a four-hour training session via webinar to DME staff to ensure they can update the model in the future.

Phase 2 Deliverables:

- Updated and expanded Financial Planning Model
- Webinar to discuss results including rates, debt, and key performance indicators
- Revenue Requirement
- Provide training for DME management and staff to update the Financial Planning Model

Phase 3: Cost of Service Study

As previously mentioned, NewGen has significant experience in developing user-friendly COS and rate design models for our clients. Our COS models determine embedded costs by class and have been well vetted in numerous public and regulatory settings. Our COS model is unbundled and allows DME the flexibility to allocate costs to functions, sub-functions, and projects. Additionally, our model is designed to quickly run scenarios to better understand the impact of different cost allocation philosophies on rates. During the Kick-Off Meeting, we will discuss the level of unbundling and COS scenarios to be developed during the Study.



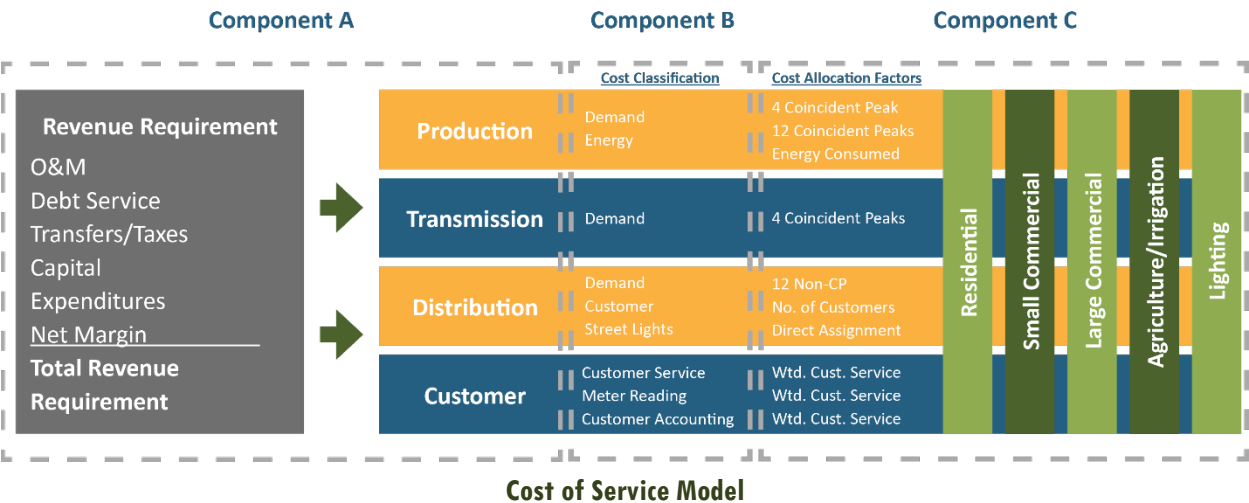
Our COS models determine embedded costs by class and have been well vetted in numerous public and regulatory settings



Task 3.1: Cost of Service

There are three key steps to completing the COS: 1) unbundle or functionalize the Revenue Requirement into utility functions (i.e., production, transmission, distribution, and customer); 2) classify costs (i.e., energy, demand, customer); and 3) allocate the costs to the customer classes. These steps include the development of allocation factors to support the assignment of shared costs to different functions or classifications, and the eventual customer class allocation factors to allocate the final costs to serve each customer class.

The model will use basic Microsoft Excel tools such as reference tables, pull-down menus, and lists for inputs and adjusting selections such as allocation methodologies or specific allocators. The COS model is comprised of three interconnected components: A, B, and C, which are graphically depicted and described in further detail below.



Component A – Functional Unbundling

Functional unbundling provides detailed descriptions of the utility’s Revenue Requirement by core utility function. For each item, if adjusted, the amount of the adjustment is identified with an associated work paper. Once the detailed Revenue Requirement has been established, the amounts are assigned to the production, transmission, distribution, and customer functions. Assignments are made either through direct assignments or other allocation methodologies. The results of the Component A analysis for each function of the Revenue Requirement are expressed on a functional basis.

S397 Production									
	C	D	E	F	G	P	S	T	
382	7311	9101	MISC-TELEPHONE		24,205		Production		
383	7311	9103	MISC-POSTAGE		180		Production		
384	7311	9104	MISC-CREDIT CARD CHARGES		0		NA		
385	7311	9106	MISC-EXP ALLOWANCE CAR & OTHER		2,500		Production		
386	7311	9110	MISC-PROFESSIONAL DUES		250		Production		
387	7311	9111	MISC-TRAINING AND TRAVEL		4,000		Production		
388	7311	9112	MISC-INSURANCE PREMIUMS		0		NA		
389	7311	9146	MISC-COMMUNICATION EQUIP		0		NA		
390	7311	9147	MISC-COMMUNICATION EQUIP		500		Production		
391	7311	9154	MISC-FURNITURE AND EQUIP		0		NA		
392			Sub-total:		2,782,780				
393			Subtotal 7311 - Production Operations		2,782,780				8
394									
395									
396			7313 - Production Maintenance						
397	7313	8002	PAY-PERM FULL TIME SALARY		1,434,528		Production		
398	7313	8003	PAY-OTHER SAL INC MOVEUP		77,036		Production		
399	7313	8004	PAY-OVERTIME PAY		98,990		Production		
400	7313	8005	PAY-STABILITY PAY		8,400		Production		
401	7313	8006	PAY-TERMINAL PAY VACATION		0		Production		
402	7313	8007	PAY-TERMINAL PAY SICK LEAVE		0		Production		
403	7313	8008	PAY-COMMISSIONS		0		Production		
404	7313	8009	PAY-EDUCATION INCENTIVE		0		Production		
405	7313	8031	BEN-RETIREMENT TMRS		281,082		Production		
406	7313	8033	BEN-SOCIAL SECURITY		115,180		Production		
407	7313	8034	BEN-GROUP LIFE HOSPITAL INS		106,624		Production		

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Component B – Sub-functional Unbundling

Sub-functionalizing the production, transmission, distribution, and customer functions developed in Component A provides additional detail and accuracy to DME’s costs. For example, distribution function costs may be sub-functionalized into substations, poles and conduit, transformers, meters, services, and streetlights. Additionally, costs are classified as demand-related, energy-related, customer-related, or a direct assignment. Similar to functionalization, sub-functionalization is accomplished either through direct assignments or other allocation methodologies.

Specific allocation factors are found at the bottom of each sub-function worksheet. The Component B analysis results in DME’s Revenue Requirement expressed on a sub-functional basis for each cost classification. See the following graphic for an illustration of the COS sub-functionalization and classification of costs.

COS Demo - Distribution Function						
Description		Test Year	Allocation Factor	Demand		
				Substation	P&C Overhead	P&C Unde
Revenue Requirement Calculation						
Operation and Maintenance Expenses						
Administration						
7111	8002 PAY-PERM FULL TIME SALARY	490,008	Dist Cost Cntr Labor	93,213	101,761	
7111	8003 PAY-OTHER SAL INC MOVEUP	11,857	Dist Cost Cntr Labor	2,256	2,462	
7111	8004 PAY-OVERTIME PAY	149	Dist CustServ Labor	28	31	
7111	8005 PAY-STABILITY PAY	1,875	Dist Admin Labor	357	389	
7111	8006 PAY-TEMPORAL PAY VACATION	0	Dist CIP 2YR	0	0	
7111	8007 PAY-TEMPORAL PAY LEAVE	0		0	0	
7111	8008 PAY-COMMISSIONS	0	NA	0	0	
7111	8009 PAY-EDUCATION INCENTIVE	0	NA	0	0	
7111	8031 BEN-RETIREMENT TMRS	80,137	Dist Cost Cntr Labor	15,244	16,642	
7111	8033 BEN-SOCIAL SECURITY	27,363	Dist Cost Cntr Labor	5,205	5,683	

Component C – Allocated Cost of Service

Using the information developed in Component B, the sub-functionalized and classified Revenue Requirement is allocated to each of the proposed rate classes using various customer class allocation methodologies. These allocation factors are developed in alignment with the cost classification. An illustration of the COS model allocations to customer classes is included below.

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Line No.	Description	Test Year	Allocation Factor	Residential E01	Residential Electric Heat E03	Small General Service E10	Large School Service E15
2	Revenue Requirement Calculation						
3	Operation and Maintenance Expenses						
4							
5	Production						
6	Demand						
7	Utility	7,981,450	AED/4CP	1,144,412	1,206,729	131,007	126,371
8	Purchased Power	46,486,546	AED/4CP	14,628,887	8,016,764	864,451	916,279
9		54,467,996	kWh @ Meter	17,673,299	9,223,493	995,459	1,042,650
10	Energy		NEFL @ Secondary				
11	Fuel	704,900	NEFL @ Primary	183,621	95,108	14,366	14,531
12	VOM	801,763		208,853	108,177	16,340	16,528
13	Purchased Power	78,202,773	NEFL @ Trans	20,397,294	10,564,896	1,595,802	1,614,193
14		79,004,536		20,789,768	10,768,181	1,626,507	1,645,252
15							
16	Total Production	128,202,773		38,463,067	19,991,674	2,621,966	2,687,902
17	Check	-					
21	Transmission						

Select allocation factors and develop COS for each class

Classified costs are summarized and allocated to customer classes

The final COS results will be summarized on an aggregate basis for each customer class and compared to projected Test Year revenues to identify rate adjustments needed to meet the COS. In addition, the COS will summarize more detailed unbundled COS categories, such as the breakdown of distribution demand-related costs, distribution customer-related costs, and power supply demand/variable per customer class and by unit costs.

Evaluate Existing Rate Classes

An important step in the COS process is the review of existing rate classes. The industry standard is to establish rate classes that represent different types of customers that have similar usage characteristics and service requirements. Examples of these characteristics include customer delivery voltage, size as measured by demand (kW), load factor, metering technology, load profiles, etc. NewGen will review DME's current and historical load data and profiles for each customer class to identify any class consolidation or modification opportunities. If or where modifications are recommended and agreed to by DME, the COS will be updated to reflect the changes.

AMI hourly data for each of the customer classes will be instrumental in the evaluation of the existing customer classes and potential changes in addition to the development of the key underlying cost allocators used in the COS. Please see Task 4.4 regarding NewGen's proposed updates to DME's existing AMI rate design model.

Test Year Billing Determinants

As part of the COS process, the Test Year billing determinants will be reviewed and adjusted to represent a "typical" or average year. If needed, NewGen can weather normalize the billing data. NewGen has extensive experience both deriving normalized weather (i.e., determining the typical/average temperature and precipitation for a given hour or day) and determining normalized load using derived normalized weather. We have implemented a wide range of algorithms to determine normalized load, from classical linear regressions in Microsoft Excel to Machine Learning (ML) algorithms like Decision Tree Forests and Neural Networks. The algorithm of choice for DME depends on the granularity of available data, the specific use case, and any regulatory guidelines.

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Fixed and Variable Costs

The unbundled COS and related work papers will also provide all the data required to evaluate and compare fixed and variable costs of the utility. This comparison will provide valuable information to support a variety of charges that recover fixed costs, such as customer charges, minimum charges, delivery charges, and demand charges. Both fixed and variable cost information will be important in the development of rates and charges on the system that address the economic value of distributed generation including traditional and renewable options.

Work Papers

Work papers for supporting adjustments and allocations used in Components A, B, and C are included in the model for reference. These work papers include detailed supporting calculations, such as customer class contributions to system load and peak demands, minimum system calculations for customer and demand classifications of the distribution costs, asset-related data such as transformer inventory or miles of lines, and/or purchased power cost breakdown.

NewGen will rely on available DME metering data in the development of summary-level statistics for each customer class (e.g., total kilowatt-hour (kWh) sales, sum of maximum demands, monthly non-coincident peak (NCP), and monthly coincident peak (CP)). If a portion of this data is not available, NewGen will rely upon surrogate data available in our files.

A draft COS will be provided to and reviewed with DME for initial feedback and approval prior to completion of the COS. NewGen will host a webinar with the DME Team to review the draft results of the COS model. Feedback from the meeting and any modifications requested from DME will be integrated into the final COS results.

Upon completion of this phase, we will summarize our methodology and results in the draft and final reports as described in Phase 5.

Task 3.2 Cost of Service Model Training

NewGen will provide a four-hour training session via webinar to DME staff to ensure they can update the model in the future.

Phase 3 Deliverables:

- COS model with a breakdown of fixed and variable costs by class
- Webinar to discuss COS results
- Provide training for DME Staff to update the COS Model

Phase 4: Rate Design Study

Successful rate design represents a blend of COS results and DME policy. In the development of rates, important community values will be considered and appropriately reflected in rate proposals. These values will be discussed during the Phase 1 Kick-Off Meeting and will be documented in the final report. Among other things, values may include the fair recovery of costs from different types of customers, the gradual implementation of rate changes to minimize customer bill impacts associated with new rates, and the competitiveness of rates compared to neighboring utilities.

Task 4.1: Review DME Rates and Riders

In consideration of DME's retail rate objectives as discussed and established in the Kick-Off Meeting, we will compare each of the existing customer class's rate structures by rate component as appropriate (demand, customer, energy, Energy Cost Adjustment (ECA)) with the COS results. The purpose of this initial review is to identify any intra-class subsidies that may exist and to quantify the differences between the fixed and variable costs and their cost recovery mechanisms. This review will be conducted in collaboration with the DME Team to develop recommendations for adjustments to the rate structures or modifications to support DME's ratemaking policy and financial goals. Any applicable rate riders will be analyzed to ensure they are sustainable and consistent with the underlying costs.

After NewGen's review and DME's input, recommendations will be developed for the proposed rate structure changes, as necessary. One of DME's stated goals for the Study is to promote conservation and reduce peak demand. As part of this Study, we will explore removing or reducing the existing declining energy block rates contained in DME's rates to encourage conservation. To ensure revenue stability, we will also review the existing customer and demand charges compared to the costs to serve those customers.

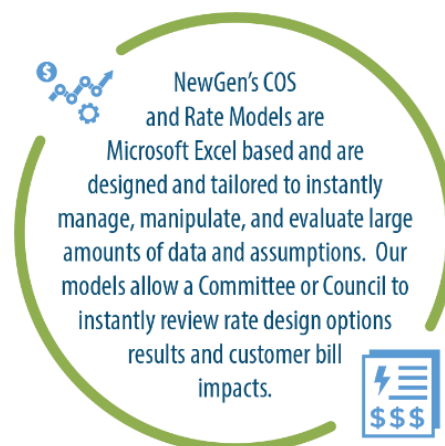
Task 4.2: Rate Design and Revenue Sufficiency

This task includes designing base rates for each customer class and confirming their ability to fully recover the Revenue Requirement. Furthermore, new rate structures or policies identified through discussions with the DME Team will also be integrated into the Rate Design Model.

After an agreement is reached on the recommended rates, the revenue adequacy of the new rates will be proven by calculating the annual rate revenue generated for each customer class and comparing it to the class and total system COS. Average bills and average customer rate impacts for each class will be calculated to compare existing, COS, and recommended new rates.

This initial rate recommendation will consider gradualism in changing the structure and rate increases, if needed or desired. For example, if the COS identifies customer classes that require a rate increase of 5% or more in a year, the changes or increases could be phased in over multiple years if this approach is consistent with DME's ratemaking policy. The results of the initial rate design will be presented and discussed during a meeting with the DME Team via a webinar. During this meeting we will conduct an in-depth evaluation of different rate options and the corresponding impact on customers. Based on feedback from the rate review, we will revise or provide an optional or alternative rate design scenario, such as a phase-in of rate changes or adjustments in customer/demand/energy rate components.

All elements of the Rate Design Model are user friendly and easily adjusted to evaluate alternative rate implementation scenarios and metrics for success such as revenue adequacy, gradualism (e.g., maximum and minimum rate changes), fixed cost recovery changes over time, cost shifting, and alignment with COS results. An illustration of the rate model dashboard is shown below.

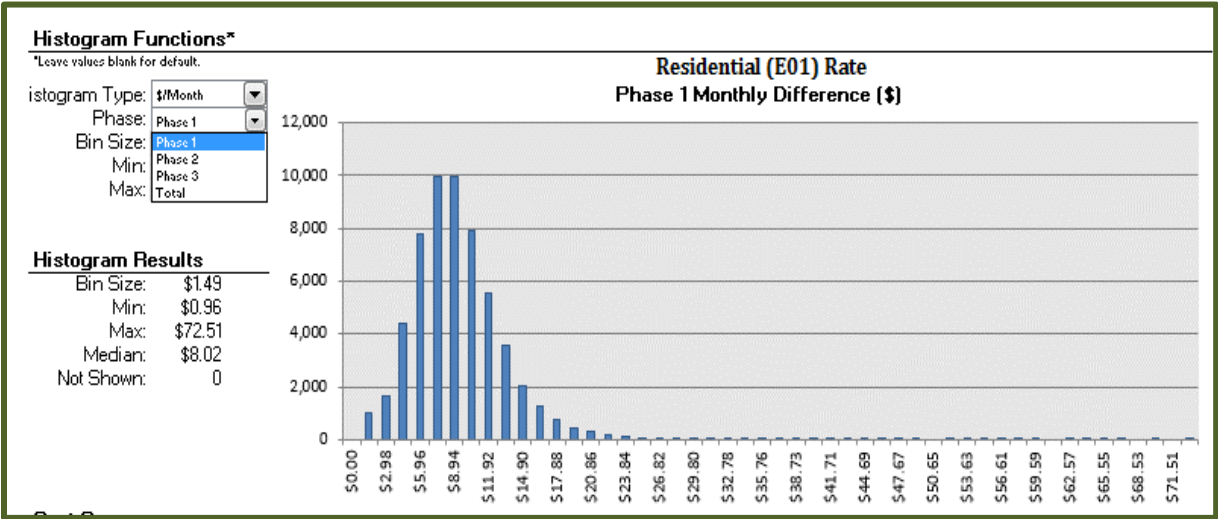


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Utility Residential Rate Design Dashboard											
Item	Current	BY 13/14		Cost of Service		Phase 1		Phase 2		Phase 3	
	Rate	Billing Units	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue	Rate	Revenue
Customer		Aggregate (Y=WN=0)	0								
Service Charge	\$5.60	690,112	\$3,864,625	\$7.82	\$5,394,206	\$6.50	\$4,485,726	\$0.00	\$ -	\$0.00	\$0
Energy											
Summer	\$0.05355	321,228,147	\$17,201,767	\$0.02536	\$8,147,150	\$0.03244	\$10,420,641	\$0.00000	\$ -	\$0.00000	\$0
Winter	\$0.04393	357,510,709	\$15,705,445	\$0.02536	\$9,067,367	\$0.02244	\$8,022,540	\$0.00000	\$ -	\$0.00000	\$0
Energy Subtotal	\$0.04848	678,738,856	\$32,907,213		\$17,214,517		\$18,443,181		\$ -		\$0
Adjustments											
PCA	\$0.02845	678,738,856	\$19,310,294	\$0.05660	\$38,419,723	\$0.05660	\$38,419,723	\$0.05660	\$38,419,723	\$0.05660	\$38,419,723
Franchise Fee	5.00%		\$2,804,107	5.00%	\$3,051,422	5.00%	\$3,067,432	5.00%	\$1,920,986	5.00%	\$1,920,986
Discount	-0.26%		-\$147,216	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0
	\$0.03236		\$21,967,185	\$0.06110	\$41,471,146	\$0.06112	\$41,487,155	\$0.05943	\$40,340,710	\$0.05943	\$40,340,710
Grand Total	\$0.08654		\$58,739,023	\$0.09441	\$64,079,869	\$0.09491	\$64,416,062	\$0.05943	\$40,340,710	\$0.05943	\$40,340,710
Budget Adj.			\$0		\$0		\$0		\$0		\$0
Adjusted Total	\$0.08654		\$58,739,023	\$0.09441	\$64,079,869	\$0.09491	\$64,416,062	\$0.05943	\$40,340,710	\$0.05943	\$40,340,710
Revenue Change (\$)				\$0.00787	\$5,340,846	\$0.00836	\$5,677,039	-\$0.03547	\$ (24,075,353)	\$0.00000	\$0
Revenue Change (%)					9.1%		9.7%		-37.4%		0.0%
Phase Step Goals (% of COS - Difference)						100%	\$336,193	100%	-\$23,739,160	100%	-\$23,739,160

Task 4.3: Customer Impacts

We will use DME’s monthly customer billing data by class to evaluate bill impacts on customers associated with the proposed rates. To the extent that data is available, we will compare proposed and current rates for each customer in the class. With this information, we can accurately present dollar and percentage impacts for the class. This information allows DME to identify specific customer accounts that may be adversely impacted by proposed rates before the rates have been implemented.

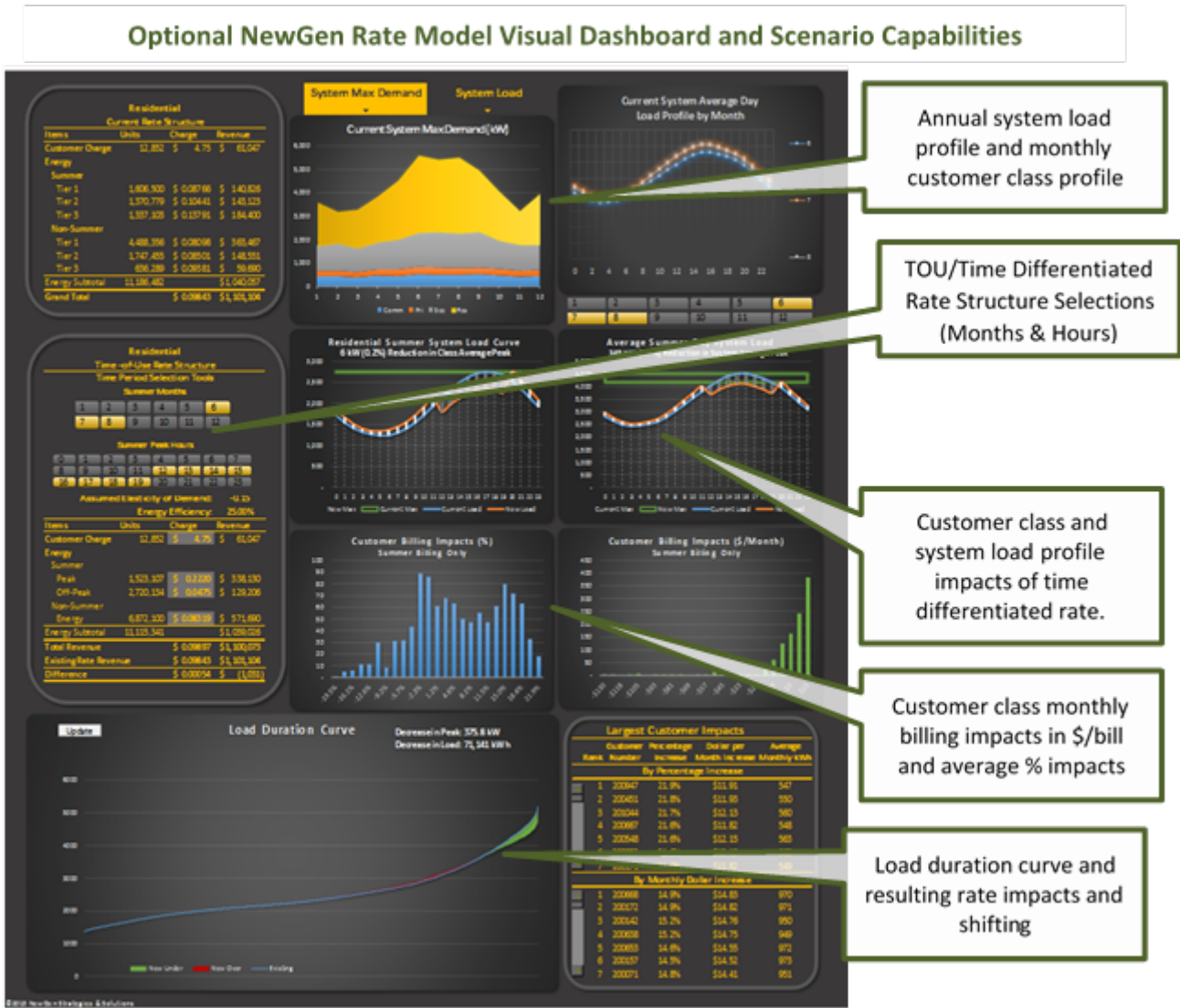


Task 4.4 AMI Rate Design Model Update

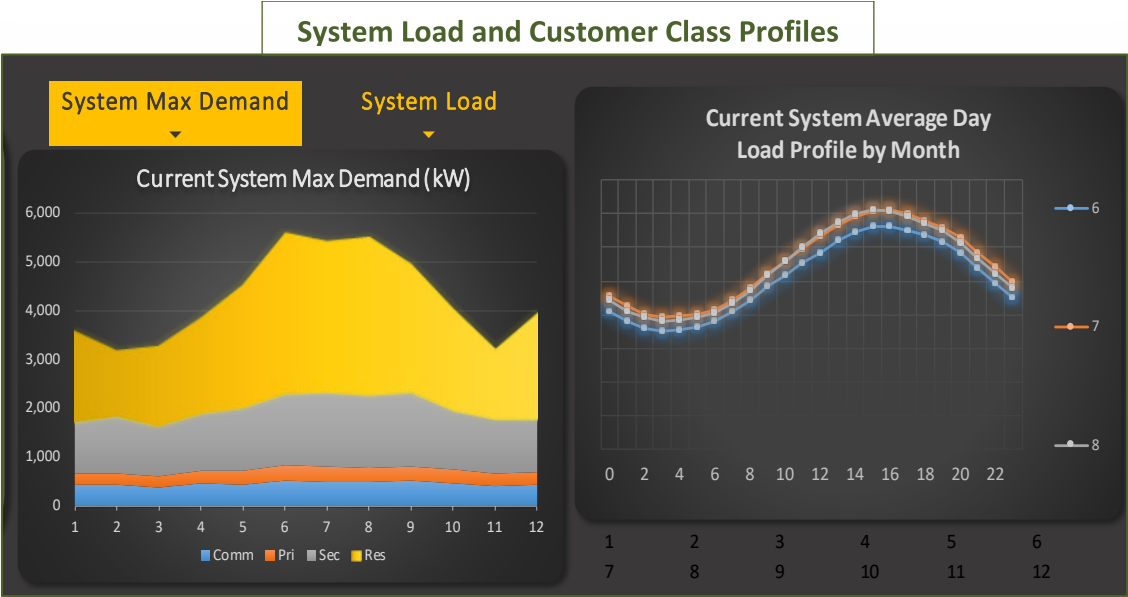
NewGen proposes to update the AMI Rate Design Model that previously designed for DME. The model will provide for a more robust AMI-based rate design and can be used to integrate and inform resource planning. With the penetration of AMI systems increasing, utilities are further evaluating TOU (and other) rate options and structures to leverage this investment and improve system efficiency, manage system load profiles, offer customers choices, and reduce costs. The current and potential proliferation of EV and distributed generation (e.g., rooftop solar) further emphasize the need to view ratemaking as a strategic tool by integrating it with resource planning.

The AMI Rate Design Model will allow for dynamic and instantaneous analysis of all elements of TOU rates including seasons, on/off peak periods, and pricing differentials. This unique model allows decision makers to immediately evaluate and compare TOU structural options such as shifting rates from demand to energy, or larger price differentials to deliver desired results. This functionality is also available to better inform the design of EV rates or evaluate the impacts of broader distributed generation penetration. An illustration of NewGen’s AMI-based hourly rate model is shown below.

Some of key components of the dashboard include time differentiated rate structure selections (i.e., TOU periods and pricing), annual and customer monthly existing load profiles, customer and system load profile changes resulting from the rate selections, customer class monthly billing impacts, and the load duration curve changes. As seen in the following figures, the dashboard allows the user to select the months to displace customer class monthly load profiles. This allows the user to identify the peak and off-peak hourly periods and visually see when and to what extent each customer class contributes to the system load peak. These graphics and the ability to select options (e.g., Jun–Aug vs. Jun–Sept summer months) support the development of optimal TOU rates.



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Based on the customer class selected, the hourly and monthly load profiles for the customers are shown to inform the design of the TOU periods or differentials. Similar profiles could be included for distributed generation or EV customers to better incentivize charging periods or TOU periods for current residential/net metering customers and net metering successor tariffs.

To optimally develop and understand the impacts of a time differentiated rate, the user must have flexibility to evaluate multiple on and off-peak time periods (e.g., 12pm to 7pm peak), seasonality (e.g., summer vs. non-summer), and on- to off-peak rate differentials. The following graphic illustrates the ability to select (yellow shaded months and hours) any combination of months and hours during the day to include in the TOU rate structure. In addition, the user can input multiple rate differentials between on- and off-peak periods to see the related revenue impacts to ensure revenue neutrality of any rate options selected.

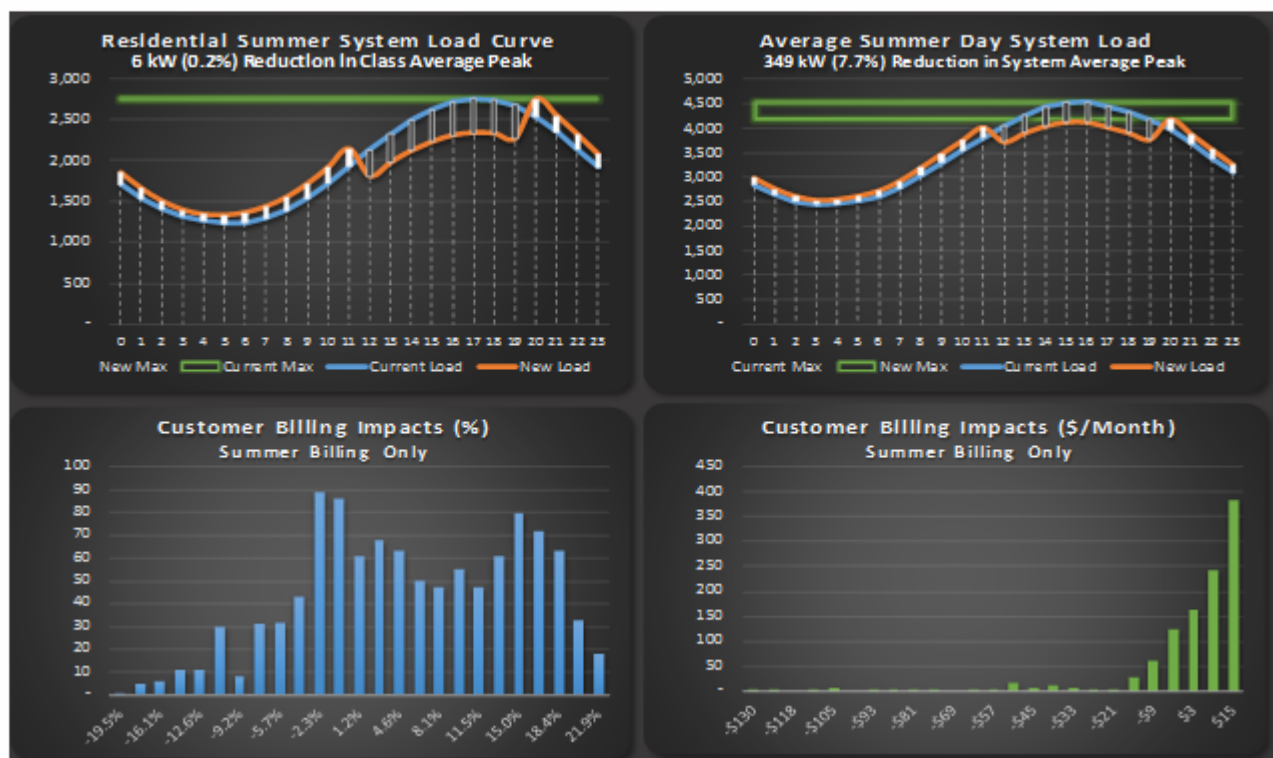
TOU Rate Structure Selections

Residential											
Time -of-Use Rate Structure											
Time Period Selection Tools											
Summer Months											
1	2	3	4	5	6						
7	8	9	10	11	12						
Summer Peak Hours											
0	1	2	3	4	5	6	7				
8	9	10	11	12	13	14	15				
16	17	18	19	20	21	22	23				
Assumed Elasticity of Demand:											-0.15
Energy Efficiency:											25.00%
Items	Units	Charge	Revenue								
Customer Charge	12,852	\$ 4.75	\$ 61,047								
Energy											
Summer											
Peak	1,523,107	\$ 0.2220	\$ 338,130								
Off-Peak	2,720,134	\$ 0.0475	\$ 129,206								
Non-Summer											
Energy	6,872,100	\$ 0.08319	\$ 571,690								
Energy Subtotal	11,115,341		\$ 1,039,026								
Total Revenue		\$ 0.09897	\$ 1,100,073								
Existing Rate Revenue		\$ 0.09843	\$ 1,101,104								
Difference		\$ 0.00054	\$ (1,031)								

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The results of the inputs and rate design parameters selected are communicated in histogram graphs illustrating the distribution of the bill increases or decreases in dollars and percentages. The dashboard

Customer and System Load Profiles and Billing Impacts



also summarizes the potential or expected hourly load profile and/or adjusted or shifted peak demand of the customer class subject to the time differentiated rates.

Task 4.5: Rate Comparisons with Other Utilities

Current and proposed rates will be compared with neighboring utilities for DME to understand the relative position of rates with the neighboring utilities, and other utilities in Texas, as desired. DME will select utilities with which to perform these comparisons at the Kick-Off Meeting.

Task 4.6: Impact Fee Development

NewGen will work with DME to develop an electric impact fee methodology and provide a new Impact Fee Model to calculate applicable fee schedules. As part of this effort, NewGen will perform a survey of other utilities' methodologies and summarize the results to show common industry practices. NewGen will provide a Microsoft Excel-based model designed to allow DME to maintain and update the cost and investment information as needed. Additionally, the new model will identify costs associated with the existing infrastructure that support the extension of service and will be designed to have "growth pay for growth."

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Task 4.7 Rate Design Model Training

NewGen will provide a four-hour training session via webinar to DME staff to ensure they can update the model in the future.

Phase 4 Deliverables:

- Rate Design model including an analysis of customer bill impacts
- Provide training for DME Staff to update the Rate Design Model
- Updated AMI Rate Design Model
- Webinar attended by at least two members of the Project Team to review rate design options
- Competitive benchmarking of current and proposed rates
- Impact Fee model
- Provide training for DME Staff to update the Impact Fee Model

Phase 5: Reports and Presentations

Task 5.1: Preliminary Report

Upon completion of Phases 1 through 4, NewGen will prepare a preliminary report of the Study that will describe the process, assumptions, and policy that led to the development of recommended rates and impact fees. With respect to retail rates, the report will document the integration of DME's policies, goals, and objectives into rate design; summarize system operating characteristics; describe customer classes; and present the COS and rate results, including supporting analyses. NewGen will demonstrate the competitiveness of the proposed DME rates by benchmarking the rate recommendations and COS results to selected utilities.

NewGen will submit the preliminary report electronically to the DME Team for review and comment. The preliminary report will be reviewed with DME via conference call and changes will be made as appropriate.

Task 5.2: Presentations of Preliminary Study Results

NewGen will develop a PowerPoint presentation of the preliminary report and present preliminary Study results to stakeholders including any Citizens Groups, the PUB, and City Council, as desired, to obtain feedback regarding results. NewGen can be available to host a webinar or to give presentations in person to stakeholders during one trip to Denton.

Task 5.3: Final Report and Deliverables

We will review feedback from the Citizen Groups, PUB, and City Council meetings as described in Task 5.2 with the DME Team via a conference call and will incorporate comments in the final report as appropriate. Once this report is finalized, we will deliver a flash drive containing electronic copies of the report, presentations, all models, and workpapers to DME.

Task 5.4: Presentations of Final Study Results

NewGen will develop a PowerPoint presentation of the preliminary report and present final Study results to stakeholders including any Citizens Groups, the PUB, and City Council, as desired. NewGen can be available to host a webinar or to give presentations in person to stakeholders during one trip to Denton.

Phase 5 Deliverables:

- Electronic copy of the preliminary report
- Electronic copy of the final report
- Presentations of preliminary Study results via webinar or in person during a single trip attended by up to two members of the Project Team
- Presentations of final Study results via webinar or in person during a single trip attended by up to two members of the Project Team
- A flash drive containing electronic copies of the report, presentations, all models, and workpapers as listed below:
 - Updated Financial Planning Model
 - COS Model
 - Rate Design Model
 - Updated AMI Rate Design Model
 - Impact Fee Model
 - Presentations
 - Report

Project Schedule

NewGen is available to begin work immediately. Upon award of this contract, NewGen will send a detailed data request to support the Study and host a Kick-Off Meeting. After receipt of all data, we estimate it will take four to six months to complete Phases 1 through 5 depending on changes in rate design and customer billing impacts.

PROPOSED PROJECT STAFF

NewGen evaluates the needs of each project and responds by assembling a Project Team of knowledgeable professionals who are uniquely qualified to provide the services needed. The Project Team includes experts in COS, rate design, stakeholder engagement, and analytical support needed to accurately execute the work. NewGen seeks to be a trusted advisor to all our clients, and our Project Team is committed to completing the identified services in a timely and professional manner.

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COST ESTIMATE

NewGen proposes the following fee schedule for the City of Denton's Electric Cost of Service and Rate Design Study:

Phase and Task	Cost Estimate
Phase 1: Project Management, Data Request, Kick-Off Meeting	\$26,000
Phase 2: Financial Forecast and Revenue Requirement	\$22,000
Phase 3: Cost of Service Study	\$32,000
Phase 4: Rate Design Study	
Rate Design Model	\$38,000
Impact Fee Development	\$15,000
AMI Rate Design Model Update	\$15,000
Phase 5: Reports and Presentations	\$17,000
Subtotal	\$165,000
Optional	
Per trip for two NewGen team members (not included above)	\$4,500

The cost associated with this scope of services will be based on the hourly billing rates of the project team, including the reimbursement of reasonable travel-related expenses at cost. The estimated cost associated for the services to be provided in the Scope of Work is \$165,000, which excludes travel-related expenses.

Billing rates are set forth as follows:

NewGen Strategies and Solutions
2021 Billing Rates

Position	Hourly Billing Rate
President / Managing Director / Director	\$230 - \$360
Executive Consultant	\$220 - \$320
Senior Consultant	\$190 - \$220
Consultant	\$120 - \$150
Administrative Services	\$110

Note: Billing rates are subject to change based on annual reviews and salary increases.

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UPDATED PROPOSED SCHEDULE

NewGen is available to begin work immediately. Upon award of this contract, NewGen will send a detailed data request to support the Study and host a Kick-Off Meeting. After receipt of all data, we estimate it will take four to six months to complete the project depending on changes in rate design and customer billing impacts.

Exhibit C

Consultants Insurance Requirements

Bidder's attention is directed to the insurance requirements below. It is highly recommended that bidders confer with their respective insurance carriers or brokers to determine in advance of Bid submission the availability of insurance certificates and endorsements as prescribed and provided herein. If an apparent low bidder fails to comply strictly with the insurance requirements, that bidder may be disqualified from award of the contract. Upon bid award, all insurance requirements shall become contractual obligations, which the successful bidder shall have a duty to maintain throughout the course of this contract.

STANDARD PROVISIONS:

Without limiting any of the other obligations or liabilities of the Contractor, the Contractor shall provide and maintain until the contracted work has been completed and accepted by the City of Denton, Owner, the minimum insurance coverage as indicated hereinafter.

*As soon as practicable after notification of bid award, Contractor shall file with the Purchasing Department satisfactory certificates of insurance, containing the bid number and title of the project. Contractor may, upon written request to the Purchasing Department, ask for clarification of any insurance requirements at any time; however, Contractors are strongly advised to make such requests prior to bid opening, since the insurance requirements may not be modified or waived after bid opening unless a written exception has been submitted with the bid. **Contractor shall not commence any work or deliver any material until he or she receives notification that the contract has been accepted, approved, and signed by the City of Denton.***

All insurance policies proposed or obtained in satisfaction of these requirements shall comply with the following general specifications, and shall be maintained in compliance with these general specifications throughout the duration of the Contract, or longer, if so noted:

- Each policy shall be issued by a company authorized to do business in the State of Texas with an A.M. Best Company rating of at least **A- VII or better**.
- Any deductibles or self-insured retentions shall be declared in the bid proposal. If requested by the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions with respect to the City, its officials, agents, employees and volunteers; or, the contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.
- Liability policies shall be endorsed to provide the following:
 - Name as additional insured the City of Denton, its Officials, Agents, Employees and volunteers.

- That such insurance is primary to any other insurance available to the additional insured with respect to claims covered under the policy and that this insurance applies separately to each insured against whom claim is made or suit is brought. The inclusion of more than one insured shall not operate to increase the insurer's limit of liability.
- Provide a Waiver of Subrogation in favor of the City of Denton, its officials, agents, employees, and volunteers.
- ***Cancellation: City requires 30 day written notice should any of the policies described on the certificate be cancelled before the expiration date.***
- Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this contract and, without lapse, for a period of three years beyond the contract expiration, such that occurrences arising during the contract term which give rise to claims made after expiration of the contract shall be covered.
- Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit providing for claims investigation or legal defense costs to be included in the general annual aggregate limit, the Contractor shall either double the occurrence limits or obtain Owners and Contractors Protective Liability Insurance.
- Should any required insurance lapse during the contract term, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this contract, effective as of the lapse date. If insurance is not reinstated, City may, at its sole option, terminate this agreement effective on the date of the lapse.

SPECIFIC ADDITIONAL INSURANCE REQUIREMENTS:

All insurance policies proposed or obtained in satisfaction of this Contract shall additionally comply with the following marked specifications, and shall be maintained in compliance with these additional specifications throughout the duration of the Contract, or longer, if so noted:

[X] A. General Liability Insurance:

General Liability insurance with combined single limits of not less than **\$1,000,000.00** shall be provided and maintained by the Contractor. The policy shall be written on an occurrence basis either in a single policy or in a combination of underlying and umbrella or excess policies.

If the Commercial General Liability form (ISO Form CG 0001 current edition) is used:

- Coverage A shall include premises, operations, products, and completed operations, independent contractors, contractual liability covering this contract and broad form property damage coverage.
- Coverage B shall include personal injury.

- Coverage C, medical payments, is not required.

If the Comprehensive General Liability form (ISO Form GL 0002 Current Edition and ISO Form GL 0404) is used, it shall include at least:

- Bodily injury and Property Damage Liability for premises, operations, products and completed operations, independent contractors and property damage resulting from explosion, collapse or underground (XCU) exposures.
- Broad form contractual liability (preferably by endorsement) covering this contract, personal injury liability and broad form property damage liability.

[X] Automobile Liability Insurance:

Contractor shall provide Commercial Automobile Liability insurance with Combined Single Limits (CSL) of not less than \$500,000.00 either in a single policy or in a combination of basic and umbrella or excess policies. The policy will include bodily injury and property damage liability arising out of the operation, maintenance and use of all automobiles and mobile equipment used in conjunction with this contract.

Satisfaction of the above requirement shall be in the form of a policy endorsement for:

- any auto, or
- all owned, hired and non-owned autos.

[X] Workers' Compensation Insurance

Contractor shall purchase and maintain Worker's Compensation insurance which, in addition to meeting the minimum statutory requirements for issuance of such insurance, has Employer's Liability limits of at least \$100,000 for each accident, \$100,000 per each employee, and a \$500,000 policy limit for occupational disease. The City need not be named as an "Additional Insured" but the insurer shall agree to waive all rights of subrogation against the City, its officials, agents, employees and volunteers for any work performed for the City by the Named Insured. For building or construction projects, the Contractor shall comply with the provisions of Attachment 1 in accordance with §406.096 of the Texas Labor Code and rule 28TAC 110.110 of the Texas Worker's Compensation Commission (TWCC).

[] Owner's and Contractor's Protective Liability Insurance

The Contractor shall obtain, pay for and maintain at all times during the prosecution of the work under this contract, an Owner's and Contractor's Protective Liability insurance policy naming the City as insured for property damage and bodily injury which may arise in the prosecution of the work or Contractor's operations under this contract. Coverage shall be on an "occurrence" basis, and the policy shall be issued by the same insurance company

that carries the Contractor's liability insurance. Policy limits will be at least combined bodily injury and property damage per occurrence with a _____ aggregate.

☒ **Professional Liability Insurance**

Professional liability insurance with limits not less than \$1,000,000 per claim with respect to negligent acts, errors or omissions in connection with professional services is required under this Agreement.

☐ **Builders' Risk Insurance**

Builders' Risk Insurance, on an All-Risk form for 100% of the completed value shall be provided. Such policy shall include as "Named Insured" the City of Denton and all subcontractors as their interests may appear.

☐ **Commercial Crime**

Provides coverage for the theft or disappearance of cash or checks, robbery inside/outside the premises, burglary of the premises, and employee fidelity. The employee fidelity portion of this coverage should be written on a "blanket" basis to cover all employees, including new hires. This type insurance should be required if the contractor has access to City funds. Limits of not less than _____ each occurrence are required.

☐ **Additional Insurance**

Other insurance may be required on an individual basis for extra hazardous contracts and specific service agreements. If such additional insurance is required for a specific contract, that requirement will be described in the "Specific Conditions" of the contract specifications.

ATTACHMENT 1

[] Workers' Compensation Coverage for Building or Construction Projects for Governmental Entities

A. Definitions:

Certificate of coverage ("certificate")-A copy of a certificate of insurance, a certificate of authority to self-insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

Persons providing services on the project ("subcontractor" in §406.096) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the project, for the duration of the project.**
- C. The Contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.**
- D. If the coverage period shown on the contractor's current certificate of coverage ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.**
- E. The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:**
 - 1) a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage showing coverage for all persons providing services on the project; and**

- 2) no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
- F. The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.
- G. The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- H. The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- I. The contractor shall contractually require each person with whom it contracts to provide services on a project, to:
- 1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the project, for the duration of the project;
 - 2) provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the project, for the duration of the project;
 - 3) provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - 4) obtain from each other person with whom it contracts, and provide to the contractor:
 - a) certificate of coverage, prior to the other person beginning work on the project; and
 - b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the project;
 - 5) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;
 - 6) notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and

- 7) Contractually require each person with whom it contracts, to perform as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.
- J. By signing this contract or providing or causing to be provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.
- K. The contractor's failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of notice of breach from the governmental entity.

EXHIBIT D

CONFLICT OF INTEREST QUESTIONNAIRE

CONFLICT OF INTEREST QUESTIONNAIRE -**FORM CIQ****For vendor or other person doing business with local governmental entity****This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.**

This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).

By law this questionnaire must be filed with the records administrator of the local government entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. *See* Section 176.006(a-1), Local Government Code.

A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.

1 Name of vendor who has a business relationship with local governmental entity.**NewGen Strategies and Solutions, LLC****2 ☒ Check this box if you are filing an update to a previously filed questionnaire.**

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)

3 Name of local government officer about whom the information in this section is being disclosed.N/A

Name of Officer

This section, (item 3 including subparts A, B, C & D), must be completed for each officer with whom the vendor has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the vendor?

☐

Yes

☒

No

B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?

☐

Yes

☒

No

C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of one percent or more?

☐

Yes

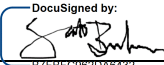
☒

No

D. Describe each employment or business and family relationship with the local government officer named in this section.

N/A

4 ☒ I have no Conflict of Interest to disclose.**5**

DocuSigned by:

 B7FBFC9B2D08432

Signature of vendor doing business with the governmental entity

2/16/2021

Date

Certificate Of Completion

Envelope Id: 1B9E9C0753D34592BA5D55E08610E1C1

Status: Completed

Subject: Please DocuSign: City Council Contract 7628 - Cost of Service Study

Source Envelope:

Document Pages: 42

Signatures: 5

Envelope Originator:

Certificate Pages: 6

Initials: 1

Christa Christian

AutoNav: Enabled

901B Texas Street

Envelopeld Stamping: Enabled

Denton, TX 76209

Time Zone: (UTC-06:00) Central Time (US & Canada)

Christa.Christian@cityofdenton.com

IP Address: 198.49.140.104

Record Tracking

Status: Original

Holder: Christa Christian

Location: DocuSign

4/5/2021 4:55:30 PM

Christa.Christian@cityofdenton.com

Signer Events

Signature

Timestamp

Christa Christian

Completed

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christa.christian@cityofdenton.com

Viewed: 4/5/2021 5:17:26 PM

Senior Buyer

Signed: 4/5/2021 5:17:54 PM

City of Denton

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Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Lori Hewell



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lori.hewell@cityofdenton.com

Viewed: 4/6/2021 3:36:27 PM

Purchasing Manager

Signed: 4/6/2021 4:31:43 PM

City of Denton

Signature Adoption: Pre-selected Style

Security Level: Email, Account Authentication (None)

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Electronic Record and Signature Disclosure:

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Christa Christian

Completed

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christa.christian@cityofdenton.com

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Senior Buyer

Signed: 4/6/2021 5:24:28 PM

City of Denton

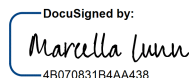
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Marcella Lunn

DocuSigned by:

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Sent: 4/6/2021 4:31:45 PM

marcella.lunn@cityofdenton.com

Resent: 4/6/2021 5:24:32 PM

Deputy City Attorney

Viewed: 4/6/2021 4:34:26 PM

City of Denton

Signed: 4/7/2021 8:21:24 AM

Security Level: Email, Account Authentication (None)

Signature Adoption: Pre-selected Style

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Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Signer Events	Signature	Timestamp
<p>Scott Burnham sburnham@newgenstrategies.net Director Security Level: Email, Account Authentication (None)</p>	<p>DocuSigned by:  B7FBFC962DA6432...</p> <p>Signature Adoption: Drawn on Device Using IP Address: 207.159.78.210</p>	<p>Sent: 4/7/2021 8:21:28 AM Viewed: 4/7/2021 8:42:42 AM Signed: 4/7/2021 8:45:49 AM</p>
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<p>Antonio Puente Antonio.Puente@cityofdenton.com Exec Mgr of Utilities Security Level: Email, Account Authentication (None)</p>	<p>DocuSigned by:  E3760944C2BF4B5...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.104</p>	<p>Sent: 4/7/2021 8:45:53 AM Viewed: 4/7/2021 9:54:03 AM Signed: 4/7/2021 9:54:25 AM</p>
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<p>Cheyenne Defee cheyenne.defee@cityofdenton.com Contract Administrator City of Denton Security Level: Email, Account Authentication (None)</p>	<p>Completed</p> <p>Using IP Address: 198.49.140.104</p>	<p>Sent: 4/7/2021 9:54:28 AM Viewed: 5/5/2021 8:00:02 AM Signed: 5/5/2021 8:01:06 AM</p>
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
<p>Sara Hensley sara.hensley@cityofdenton.com Interim City Manager City of Denton Security Level: Email, Account Authentication (None)</p>	<p>DocuSigned by:  5236DB296270423...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10</p>	<p>Sent: 5/5/2021 8:01:10 AM Viewed: 5/5/2021 8:03:36 AM Signed: 5/5/2021 8:03:50 AM</p>
Electronic Record and Signature Disclosure: Not Offered via DocuSign		
<p>Rosa Rios rosa.rios@cityofdenton.com City Secretary Security Level: Email, Account Authentication (None)</p>	<p>DocuSigned by:  1C5CA8C5E175493...</p> <p>Signature Adoption: Pre-selected Style Using IP Address: 198.49.140.10</p>	<p>Sent: 5/5/2021 8:03:53 AM Viewed: 5/5/2021 12:34:27 PM Signed: 5/5/2021 12:35:05 PM</p>
Electronic Record and Signature Disclosure: Accepted: 5/5/2021 12:34:27 PM ID: 891df970-ca5f-43f2-a57c-d36efcaf18ee		
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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Contract Administrator City of Denton Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 4/5/2021 5:17:57 PM
Sherri Thurman sherri.thurman@cityofdenton.com City of Denton Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 4/7/2021 9:54:28 AM
Gretna Jones gretna.jones@cityofdenton.com Legal Secretary City of Denton Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 4/7/2021 9:54:28 AM Viewed: 4/8/2021 8:46:51 AM
City Secretary Office citysecretary@cityofdenton.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 5/5/2021 12:35:08 PM
Bill Shepherd William.shepherd@cityofdenton.com Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Accepted: 5/4/2021 3:39:34 PM ID: 685b3efd-8315-48ea-880e-658f7c6678e5	COPIED	Sent: 5/5/2021 12:35:09 PM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	4/5/2021 5:17:18 PM
Certified Delivered	Security Checked	5/5/2021 12:34:27 PM
Signing Complete	Security Checked	5/5/2021 12:35:05 PM
Completed	Security Checked	5/5/2021 12:35:09 PM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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From time to time, City of Denton (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through your DocuSign, Inc. (DocuSign) Express user account. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the 'I agree' button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. For such copies, as long as you are an authorized user of the DocuSign system you will have the ability to download and print any documents we send to you through your DocuSign user account for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign 'Withdraw Consent' form on the signing page of your DocuSign account. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use your DocuSign Express user account to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in DocuSign.

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To withdraw your consent with City of Denton

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign account, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none">•Allow per session cookies•Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

By checking the 'I Agree' box, I confirm that:

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- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify City of Denton as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by City of Denton during the course of my relationship with you.

**FIRST AMENDMENT TO CONTRACT
BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND NEWGEN STRATEGIES AND SOLUTIONS, LLC.
PSA 7628**

THE STATE OF TEXAS §

COUNTY OF DENTON §

THIS FIRST AMENDMENT TO CONTRACT 7628 (“Amendment”) by and between the City of Denton, Texas (“City”) and **NEWGEN STRATEGIES AND SOLUTIONS, LLC.** (“Consultant”); to that certain contract executed on May 4, 2021, in the original not-to-exceed amount of \$169,500 (the “Agreement”); for services related to **Cost of Service Study.**

WHEREAS, the City deems it necessary to further expand the services provided by Consultant to the City pursuant to the terms of the Agreement, and to provide an additional not-to-exceed amount \$6,500 with this Amendment for an aggregate not-to-exceed amount of \$176,000; and

FURTHERMORE, the City deems it necessary to further expand the goods/services provided by Consultant to the City;

NOW THEREFORE, the City and Consultant (hereafter collectively referred to as the “Parties”), in consideration of their mutual promises and covenants, as well as for other good and valuable considerations, do hereby AGREE to the following Amendment, which amends the following terms and conditions of the said Agreement, to wit:


1. This Amendment modifies the Agreement amount to provide an additional \$6,500 for the additional services with a revised aggregate not to exceed total of \$176,000.

The Parties hereto agree, that except as specifically provided for by this Amendment, that all of the terms, covenants, conditions, agreements, rights, responsibilities, and obligations of the Parties, set forth in the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the City and the Consultant, have each executed this Amendment electronically, by and through their respective duly authorized representatives and officers on this date 4/17/23.

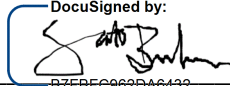
“CITY”

CITY OF DENTON, TEXAS
A Texas Municipal Corporation

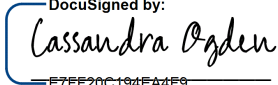
By: 
CE56114ABB9747A...

“CONSULTANT”

NEWGEN STRATEGIES AND
SOLUTIONS, LLC..

By: 
B7FBFC962DA6432...
AUTHORIZED SIGNATURE, TITLE

THIS AGREEMENT HAS BEEN
BOTH REVIEWED AND APPROVED
as to financial and operational
obligations and business terms.


E7FF20C194EA4F9...
SIGNATURE PRINTED NAME
Chief Financial officer

TITLE
Finance

DEPARTMENT

Certificate Of Completion

Envelope Id: F24E8CAD0847407A9355A527574B924D

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Erica Garcia

901B Texas Street

Denton, TX 76209

erica.garcia@cityofdenton.com

IP Address: 198.49.140.104

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erica.garcia@cityofdenton.com

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Signer Events

Erica Garcia

erica.garcia@cityofdenton.com

Buyer

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Signed: 4/17/2023 9:58:21 AM

Electronic Record and Signature Disclosure:

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Scott Burnham

sburnham@newgenstrategies.net

Director

Security Level: Email, Account Authentication
(None)

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Using IP Address: 207.159.78.210

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Viewed: 4/17/2023 9:59:02 AM

Signed: 4/17/2023 9:59:16 AM

Electronic Record and Signature Disclosure:

Accepted: 4/17/2023 9:59:02 AM

ID: ad23fbdd-e8a8-477c-8d87-daf0532ea8a4

Cassandra Ogden


Cassandra.Ogden@cityofdenton.com

Chief Financial Officer

City of Denton

Security Level: Email, Account Authentication
(None)

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Viewed: 4/21/2023 9:32:21 AM

Signed: 4/21/2023 9:32:36 AM

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Erica Garcia

erica.garcia@cityofdenton.com

Buyer

City of Denton

Security Level: Email, Account Authentication
(None)**Completed**

Using IP Address: 198.49.140.10

Sent: 4/17/2023 9:59:17 AM

Viewed: 4/18/2023 8:22:53 AM

Signed: 4/18/2023 8:23:02 AM

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In Person Signer Events**Signature****Timestamp****Editor Delivery Events****Status****Timestamp**

Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp
Cheyenne Defee cheyenne.defee@cityofdenton.com Procurement Administration Supervisor City of Denton Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div>COPIED</div>	Sent: 4/21/2023 9:32:38 AM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	4/17/2023 9:46:21 AM
Envelope Updated	Security Checked	4/18/2023 8:23:46 AM
Envelope Updated	Security Checked	4/18/2023 8:23:46 AM
Certified Delivered	Security Checked	4/18/2023 8:22:53 AM
Signing Complete	Security Checked	4/18/2023 8:23:02 AM
Completed	Security Checked	4/21/2023 9:32:38 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

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All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through your DocuSign user account all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact City of Denton:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: purchasing@cityofdenton.com

To advise City of Denton of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at melissa.kraft@cityofdenton.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

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To withdraw your consent with City of Denton

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

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- ii. send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail, full name, US Postal Address, telephone number, and account number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none">•Allow per session cookies•Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the 'I agree' button below.

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