



# City of Denton

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

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Cassey Ogden  
**DATE:** July 16, 2024

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a Professional Services Agreement with ReSolved Energy Consulting, LLC, for the supply of Energy Management Office Regulatory Advisement Services for Denton Municipal Electric as set forth in the contract; providing for the expenditure of funds therefor; and providing an effective date (RFQ 8392 – Professional Services Agreement for energy management office regulatory advisement services awarded to ReSolved Energy Consulting, LLC, in the three (3) year not-to-exceed amount of \$715,000.00). [The Public Utilities Board recommends approval \(6 - 0\).](#)

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Foster Economic Opportunity and Affordability.

### **INFORMATION/BACKGROUND**

Denton Municipal Electric (DME), the City of Denton’s wholly owned electric utility, is operationally subject to regulations administered by several regulatory bodies and governments. These include but are not limited to the State of Texas, the Public Utility Commission of Texas (PUCT), the Electric Reliability Council of Texas (ERCOT), the Texas Department of Environmental Quality (TDEQ), the North American Reliability Corporation (NERC) and its regional entity, the Texas Reliability Entity (TRE).

In particular, the PUCT and the ERCOT have a direct hand in the Texas Electric market and how it operates. The market regulations, rules, and the interpretation of them by these organizations have potential financial impacts in the hundreds of millions of dollars.

ERCOT as an organization is stakeholder-based. DME is one of hundreds of stakeholders. ERCOT has several Boards, Committees, sub-committees, Working Groups, and Task Forces that all require the participation of market participants like DME. Some of the important meeting groups are the ERCOT Board, Technical Advisory Committee (“TAC”), Wholesale Market Subcommittee (“WMS”), and Protocol Revisions Subcommittee (“PRS”). These groups and others meet, discuss, deliberate, and vote on market rules and operational procedures that can have a direct financial impact on DME and its ratepayers.

Some of DME’s Municipal Utility peers have several persons on their government affairs and regulatory staffs. DME has a comparatively small staff that cannot cover all of the meetings to provide stakeholder representation, nor does it have the capacity to participate in all market participant and stakeholder

discussions and considerations. To augment its staff, DME has utilized Austin-based consulting groups that attend most of the key ERCOT group meetings that DME cannot. This service provides valuable analysis and feedback on important regulations that are being developed in the lower working groups so that DME representatives can be engaged in informed participation when considering these new rule changes at the Subcommittee and Committee levels where DME has elected representation.

Similarly, the PUCT has several rulemaking, market design/operation, and transmission cost dockets filed throughout the year. Monitoring and communicating how these regulatory filings might impact DME is an important function that DME could not handle with its smaller staff. These dockets have strict response time windows that cannot be ignored, and it is important to be aware of them as soon as possible should a response be needed.

Without the utilization of outside regulatory consultants, DME will be less able to engage in the ERCOT and PUCT regulatory activities that have enormous potential financial impact on DME and its ratepayers.

Request for Qualifications (RFQ) for professional surveying services was sent to 1,651, prospective firms, including 83 Denton firms, for these services. In addition, the RFQ was placed on the Procurement website for prospective respondents to download, and advertised in the local newspaper. One (1) statement of qualifications (SOQ) was received. The SOQ was evaluated based on published criteria including identification and understanding of the City’s requirements, past performance and experience, qualifications of key personnel, and schedule to complete tasks. Based upon this evaluation, the recommended award is to Resolved Energy Consulting, LLC, and is determined to be the most qualified firm for the City.

NIGP Code Used for Solicitation:	918, 925, 958, 961, 962, 963
Notifications sent for Solicitation sent in IonWave:	1,651
Number of Suppliers that viewed Solicitation in IonWave:	54
HUB-Historically Underutilized Business Invitations sent out:	199
SBE-Small Business Enterprise Invitations sent out:	651
Responses from Solicitation:	1

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On July 8, 2024, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

**RECOMMENDATION**

Award a contract with Resolved Energy Consulting, LLC, for the supply of Energy Management Office Regulatory Advisement Services for Denton Municipal Electric, in a three (3) year not-to-exceed amount of \$715,000.

**PRINCIPAL PLACE OF BUSINESS**

Resolved Energy Consulting, LLC  
Austin, TX

**ESTIMATED SCHEDULE OF PROJECT**

This is a three (3) year contract.

## **FISCAL INFORMATION**

The services will be funded from the DME project account 60003.7854.5750A. Requisition #163873 has been entered into the Purchasing software system in the amount of \$250,000. The budgeted amount for this item is \$715,000.

## **EXHIBITS**

Exhibit 1: Agenda Information Sheet

Exhibit 2: Ordinance and Contract

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

For information concerning this acquisition, contact: Stephen Johnson, 940-349-7516.

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