



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Cassey Ogden
DATE: November 14, 2023

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of a second amendment to a professional services agreement between the City of Denton and NewGen Strategies and Solutions, LLC, amending the contract approved by City Council on May 4, 2021, in the not-to-exceed amount of \$169,500.00; amended by Amendment 1 approved by Purchasing; said second amendment to continue to use services to refresh the Electric Cost of Service study and expand the study to include the value of solar for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7628 – providing for an additional second amendment expenditure amount not-to-exceed \$150,000.00, with the total contract amount not-to-exceed \$326,000.00).

INFORMATION/BACKGROUND

Normally, Denton Municipal Electric (DME) evaluates its Cost of Service (COS) about once every five (5) years. However, since DME was able to forego rate increases the last two (2) years, the COS work that NewGen performed needs to be brought current in anticipation of pending rate increases this Fiscal Year. NewGen's consulting services provide expertise in reviewing all departmental costs (both direct and indirect) and allocation processes, which helps ensure rates are equitably designed among all rate classes. The budget dollars for this project are available in the FY 2023-2024 operating budget.

On April 17, 2023, additional work needed to be performed, and Purchasing executed an amendment in the amount of \$6,500 to pay for these services.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On May 4, 2021, City Council approved a contract with NewGen Strategies & Solutions, LLC, in the not-to-exceed amount of \$169,500 (Ordinance 21-806).

On November 13, 2023, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award Amendment No. 2 with NewGen Strategies & Solutions, LLC, to continue to use services to refresh the Electric Cost of Service study and expand the study to include the value of solar, in a not-to-exceed amount of \$150,000, for a total amended contract amount of \$326,000.

PRINCIPAL PLACE OF BUSINESS

NewGen Strategies and Solutions, LLC
Richardson, TX

ESTIMATED SCHEDULE OF PROJECT

The contract will expire on May 4, 2026.

FISCAL INFORMATION

These services will be funded from Denton Municipal Electric account 604857497. Purchase order 196818 will be amended to add the additional \$150,000. The total amended amount of this contract is \$326,000.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance, Contract, and Amendment 1
Exhibit 3: Ordinance and Amendment 2

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

For information concerning this acquisition, contact: Bill Shepherd, (940) 349-7493.

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