



DocuSign City Manager Approval Transmittal Coversheet

PSA	6560
File Name	Resource Planning - Power Supply Strategy
Purchasing Contact	Cindy Alonzo
Contract Value	\$99,000
Piggy Back Option	no
Contract Expiration	Upon Acceptance of work Completion

CITY MANAGER APPROVAL REQUEST

DATE: August 22, 2017 Questions concerning this acquisition may be directed to Bryan Langley at 349-8224

DEPARTMENT: Denton Municipal Electric

ACM: Bryan Langley

SUBJECT

Request for City Manager approval to award a Professional Services Agreement for consulting services with Enterprise Risk Consulting (ERC) for the resource planning and implementation services of a revised long-term power supply strategy for Denton Municipal Electric (DME) in an amount not-to-exceed \$99,000 (File 6560).

FILE INFORMATION

DME is proposing to execute a contract with ERC to provide strategic support by assisting with resource planning and the implementation of a revised long-term power supply strategy. The immediate focus for the consulting project is to enable the efficient operation of the Denton Energy Center (DEC) by the target completion date in the summer of 2018, and to meet Denton's original long-term goal of 70% renewable energy by 2019. The long range plan, which will be provided in the future, is to further develop Denton's portfolio of renewable resources and Denton's ability over the long-term to manage a power supply portfolio approaching 100% renewable energy.

This scope of work includes a revised resource plan, which will incorporate the addition of DME's Denton Energy Center to its power supply portfolio. Targets will be developed for completing DME's renewable power supply portfolio through the acquisition of a diversified set of power purchase agreements from renewable energy resources. Existing RFPs for renewable energy resources will be modified to ensure alignment with the revised resource plan. The direct labor costs will not exceed \$96,000, with \$3,000 for estimated travel expenses as needed.

ERC, a professional firm who specializes in trading and risk management consulting services, has staff who have substantial experience in trading and energy economics. ERC project staff has served in senior roles in the energy industry, the financial services industry, and academia. ERC's expert knowledge in the energy industry makes them well-qualified to perform the update to the City's long-term power supply strategy plan. In accordance with the provisions of Texas Local Government Code 252.022 (4), and Texas Government Code 2254, staff recommends selection of ERC, without conducting a formal Request for Qualifications (RFQ) procurement process.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

None

City Manager Approval Request

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August 22, 2017

RECOMMENDATION

Award a Professional Services Agreement to Enterprise Risk Consulting, LLC for Phase 1 of the the resource planning and implementation services of a revised long-term power supply strategy for Denton Municipal Electric (DME) in the amount not to exceed \$99,000.

PRINCIPAL PLACE OF BUSINESS

Enterprise Risk Consulting, LLC
Sante Fe, New Mexico

ESTIMATED SCHEDULE OF PROJECT

The project will begin once a purchase order has been issued and is anticipated to be completed October 2017.

FISCAL INFORMATION

This project will be funded from 600001.7854.9210.A.

EXHIBITS

Exhibit 1: Professional Services Agreement – Enterprise Risk Consulting, LLC.

Requested by:

Name: Bryan Langley

Phone: (940) 349-8224

Respectfully submitted:

DocuSigned by:
Karen E. Smith
E9685D3G280A4B8...
Purchasing

Expenditure Approved:

DocuSigned by:
Todd Hileman
B776G711BA0D454...
City Manager or Designate

8/23/2017

Date

**PROFESSIONAL SERVICES AGREEMENT
FOR CONSULTING SERVICES
FILE 6560**

STATE OF TEXAS §

COUNTY OF DENTON §

THIS AGREEMENT (the "Agreement") is made and entered into on 8/23/2017, 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 Enterprise Risk Consulting, LLC, with its corporate office at 1000 Cordova Place, #381, Santa Fe, New Mexico 87505, 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, strategic support to assist the OWNER and the electric utility department, known as Denton Municipal Electric ("DME"), with resource planning and the implementation of a revised long-term power supply strategy, as described in **Exhibit A – Project Scope of Work**, which is attached hereto and incorporated herein (the "Project").

**ARTICLE II
SCOPE OF BASIC SERVICES**

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

- A. CONSULTANT shall perform all those services set forth in the individual task orders as described in **Exhibit A – Project Scope of Work** which shall be attached to this Agreement and made a part hereof.
- B. 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 C – Schedule of Charges for Additional Services and Reimbursement of Out-of-Pocket Expenses**.

- A. Visits to the City of Denton, Texas, or other sites as requested the OWNER, for the purpose of attending meetings to discuss Project findings or recommendations, or to deliver presentations of Project findings or recommendations, other than as described in **Exhibit A – Project Scope of Work**.
- B. 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 will provide services from the date of execution and shall automatically expire upon completion of the work or receipt of the materials, and acceptance by the City of Denton.

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” – Cost Estimate of Professional Services and Reimbursement of Out-of-Pocket Expenses** which is attached hereto and made a part of this Agreement as if written word for word herein, a total fee, not

including out-of-pocket expenses, such as airfare, hotel, ground transportation, and meals including reimbursement for direct non-labor expenses not to exceed \$99,000 for Part I of the Project.

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 "C" – Schedule of Charges for Additional Services and Reimbursement of Out-of-Pocket Expenses**. 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 the following insurance with an insurance company licensed to do business in the State

of Texas by the State Insurance Commission or any successor agency that has a rating with Best Rate Carriers of at least an A- or above:

- A. Comprehensive General Liability Insurance with bodily injury limits of not less than \$1,000,000 for each occurrence and not less than \$1,000,000 in the aggregate, and with property damage limits of not less than \$100,000 for each occurrence and not less than \$100,000 in the aggregate.
- B. Automobile Liability Insurance with bodily injury limits of not less than \$500,000 for each person and not less than \$500,000 for each accident, and with property damage limits of not less than \$100,000 for each accident.
- C. Professional Liability Insurance with limits of not less than \$1,000,000 annual aggregate.
- D. The CONSULTANT shall furnish insurance certificates or insurance policies at the OWNER's request to evidence such coverages. The General Liability and Auto Liability insurance policies shall name the OWNER as an additional insured. CONSULTANT shall endeavor to provide OWNER with any cancellation or modification to its insurance policies.

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:

Enterprise Risk Consulting, LLC
ATTN: Larry Lawrence
220 N. Zapata Hwy 11A
Laredo, TX 78043

To OWNER:

City of Denton
Purchasing Manager – File 6560
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 – Project Scope of Work

**Exhibit B – Cost Estimate of Professional Services and Reimbursement of
Out-of-Pocket Expenses**

Exhibit C – Consultant's Compensation Rate Sheet

- B. 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.
- C. 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.
- D. For the purpose of this Agreement, the key persons who will perform most of the work hereunder shall be Neil McAndrews and Larry Lawrence. However, nothing herein shall limit CONSULTANT from using other equally qualified and competent members of its firm to perform the services required herein.
- E. 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.

- F. 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.
- G. 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.

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
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 Contractor submits a disclosure of interested parties (Form 1295) to the City at the time the Contractor submits the signed contract. The Texas Ethics Commission has adopted rules requiring the business entity to file Form 1295 electronically with the Commission.

Contractor will be required to furnish an original notarized Certificate of Interest Parties before the contract is awarded, in accordance with Government Code 2252.908.

The contractor 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 signature page.
5. Sign and notarize the Form 1295
6. Email the notarized form to purchasing@cityofdenton.com with the contract number in the subject line. (EX: Contract 1234 – Form 1295)

The City 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.

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 8/23/2017.

CITY OF DENTON, TEXAS

DocuSigned by:
Todd Hileman
B776C711BA0D454...
TODD HILEMAN, CITY MANAGER

JENNIFER WALTERS, CITY SECRETARY

BY: DocuSigned by:
Jennifer Walters
C5BEAFC1821946D...

APPROVED AS TO LEGAL FORM:
AARON LEAL, INTERIM CITY ATTORNEY

BY: DocuSigned by:
Jennifer W. Walters
5972538AC4584B9...

ENTERPRISE RISK CONSULTING, LLC
A WYOMING LIMITED LIABILITY
COMPANY
“CONSULTANT”

DocuSigned by:
Larry Lawrence | Enterprise Risk Consulting, LLC
0C5707454A9B40F...
BY: LARRY LAWRENCE
ITS: PRESIDENT

2017-251847
TEXAS ETHICS COMMISSION
CERTIFICATE NUMBER

Exhibit A – Project Scope of Work

I. Introduction

The objective of the consulting engagement is to provide strategic support by assisting with resource planning and the implementation of a revised long-term power supply strategy.

A near-term focus, and the focus of this scope of work, is to enable the efficient operation of the Denton Energy Center (DEC) by the target completion date in the summer of 2018, and to meet Denton's original long-term goal of 70% renewable energy by 2019.

A longer-term focus, and the focus of a future scope of work, is to further develop Denton's portfolio of renewable resources and Denton's ability over the long-term to manage a power supply portfolio approaching 100% renewable energy.

The scope of work consists of two separate but related parts. Part I is a revised resource plan that will incorporate the addition of the DEC to Denton Municipal Electric's (DME) power supply portfolio, as well as developing targets for completing DME's renewable power supply portfolio through the acquisition of a diversified set of power purchase agreements from renewable energy resources.

II. Part I – Revised Resource Plan

The revised resource plan will include:

A. Key Elements

- a. A finding of resource needs, focusing primarily on the first 10 years of a 20-year planning period;
- b. The preferred portfolio of supply-side and demand-side resources to meet resource needs;
- c. An action plan that identifies the steps to be taken during the next year to meet the 2019 Renewable Denton Plan goal of 70% to 100% renewable energy resources.
- d. Modifying any existing RFPs for renewable energy resources that the RFPs align with the requirements of the revised resource plan.

B. Goal Setting Statement

- a. Explanation of the goal of the planning purpose, and the time horizon for such plans. The statement will explain the relative uncertainty involved in the process.
- b. Identify customer preference and describe the competitive market in which DME competes.
- c. Identify the main goal of the process and why this goal is preferred compared to other typical goals.

C. Develop Plan Inputs and Analysis

- a. Develop an analysis and recommended long-term support for each major decision variable.
- b. Identify and describe elements needed as inputs to the plan (e.g. load growth ranges and renewable resource production types and uncertainties).
- c. Conduct analysis for each focus area:
 - i. Load growth – analyze future economic conditions and trends to develop a high, low and expected load growth forecast.

- ii. Renewable Resource diversification
 - 1. Examine the primary benefits of resource diversification (e.g., solar and wind, various types of wind resources in Texas including Panhandle, West Texas, Coastal)
 - 2. Consider secondary benefits of resource diversification on long-term credit risk exposure.
- iii. Resource costs - treated as a range of costs for each type.
- iv. Regulation environments – potential for changes will be developed over the term of analysis.

D. Information Gathering

- a. Acquire production curve data for solar resources and a variety of wind resources; analyze and classify these into integration elements in a variety megawatt levels that can be added together to improve locational diversity.
- b. Review and map historical resource node congestion cost data.
- c. ERCOT resource adequacy, energy, and renewable studies will also be reviewed for testing of the range of changes in future scenarios, such as low or high regulation environments or increasing congestion areas.
- d. Demographic and economic data will be acquired from banking and government agencies.
- e. Natural gas, coal, oil and other fuel inputs will be tested for economic dispatch changes.

E. Resource Portfolio Model Development

- a. Develop an integration of resources costs and performance into the portfolio scenario model.
- b. Power purchase agreements (PPAs) will also be classified into terms, costs and performance.
- c. Energy efficiency and other demand side resources will also be included for analysis.
- d. Production scenarios and limitations for the DEC will be considered as a firming resource for prospective renewable resources.

F. Reporting and Summary Analysis

- a. Map different types of future paths and develop a commentary of scenario outcomes. Each one will have a major trend driver such as “low economic growth” to easily convey to the audience the uncertainty in the future and the kind of environment that the scenario is describing.
- b. The various outcomes and resource combinations will be placed into a matrix with economic and portfolio outcomes for each scenario. These will be for trends of 3 to 10-year time horizons.

G. Summary of Recommendations – develop a summary of recommendations and suggested actions.

III. Deliverables

The scope of work includes several deliverables:

- 1. A revised resource plan in Adobe Portable Document Format (PDF)
- 2. A Microsoft PowerPoint presentation providing a summary of the resource plan
- 3. In-person delivery of a Microsoft PowerPoint presentation of findings and a summary of the revised resource plan at the end of Part I of the scope of work.

Exhibit B – Cost Estimate of Professional Services and Reimbursement of Out-of-Pocket Expenses

Projects are estimated according to the number of man-weeks required to prepare and submit all deliverables.

This cost estimate includes work to produce all of the deliverables listed in **Exhibit A – Project Scope of Work**, with the exception of additional requests for in-person presentations of findings and recommendations not listed in **Exhibit A – Project Scope of Work**.

For the purposes of calculating man-weeks of work (at 40 hours per week), plus ad hoc, out-of-scope work requests, the following hourly rate structure will apply:

<u>Consultant</u>	<u>Hourly Rate</u>
Neil McAndrews, Senior Principal	\$200
Tom Lord, Senior Principal	\$250
Larry Lawrence, President	\$250
Data analyst	\$75

<u>Project Scope</u>	<u>Number of Man-Weeks</u>	<u>Project Estimate</u>
<u>Part I</u>	Neil McAndrews: 5 Larry Lawrence: 5 Data analyst: 2	\$96,000

In addition to consulting fees, ERC will bill for out-of-pocket expenses, such as airfare, hotel, ground transportation, and meals. These expenses will be billed at out-of-pocket cost, without additional markup. Air travel will be purchased at coach class fares. Expense reports detailing all expenses, along with receipts, will be presented for reimbursement.

Exhibit C – Schedule of Charges for Additional Services and Reimbursement of Out-of-Pocket Expenses

<u>Consultant</u>	<u>Hourly Rate</u>
Neil McAndrews, Senior Principal	\$200
Tom Lord, Senior Principal	\$250
Larry Lawrence, President	\$250
Data analyst	\$75

In addition to consulting fees, ERC will bill for out-of-pocket expenses, such as airfare, hotel, ground transportation, and meals. These expenses will be billed at out-of-pocket cost, without additional markup. Air travel will be purchased at coach class fares. Expense reports detailing all expenses, along with receipts, will be presented for reimbursement.

CITY OF DENTON

INSURANCE REQUIREMENTS FOR CONTRACTORS

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.

[] 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.

Certificate Of Completion

Envelope Id: 141D75D3C4BF4B96A590C56AEB812F5C	Status: Completed
Subject: ****City Manager Approval *****DocuSign Item 6560 PSA Power Supply Strategy Update	
Source Envelope:	
Document Pages: 25	Signatures: 6
Supplemental Document Pages: 0	Initials: 0
Certificate Pages: 6	
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Cindy Alonzo
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	Cynthia.Alonzo@cityofdenton.com
	IP Address: 129.120.6.150

Record Tracking

Status: Original	Holder: Cindy Alonzo	Location: DocuSign
8/22/2017 10:10:26 AM	Cynthia.Alonzo@cityofdenton.com	

Signer Events

Signer Events	Signature	Timestamp
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cynthia.alonzo@cityofdenton.com		Viewed: 8/22/2017 10:15:07 AM
Buyer		Signed: 8/22/2017 10:17:23 AM
City of Denton	Using IP Address: 129.120.6.150	
Security Level: Email, Account Authentication (Optional)		

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Not Offered via DocuSign

Karen E. Smith	DocuSigned by: <i>Karen E. Smith</i> E9685D3C280A4B8...	Sent: 8/22/2017 10:17:24 AM
karen.smith@cityofdenton.com		Viewed: 8/22/2017 11:04:49 AM
Interim Purchasing Manager		Signed: 8/22/2017 11:04:57 AM
City of Denton	Using IP Address: 129.120.6.150	
Security Level: Email, Account Authentication (Optional)		

Electronic Record and Signature Disclosure:

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Larry Lawrence Enterprise Risk Consulting, LLC	DocuSigned by: <i>Larry Lawrence Enterprise Risk Consulting, LLC</i> 0C5767454A9B46F...	Sent: 8/22/2017 11:04:59 AM
llawrence@enterprise-risk.com		Viewed: 8/22/2017 12:53:44 PM
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	Using IP Address: 65.111.101.14	

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Jennifer DeCurtis	DocuSigned by: <i>Jennifer W. DeCurtis</i> 5972538AC4584B9...	Sent: 8/23/2017 2:24:03 PM
jennifer.decurtis@cityofdenton.com		Viewed: 8/23/2017 3:31:14 PM
Deputy City Attorney		Signed: 8/23/2017 3:31:26 PM
City of Denton	Using IP Address: 129.120.6.150	
Security Level: Email, Account Authentication (Optional)		

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Signer Events	Signature	Timestamp
<p>Todd Hileman todd.hileman@cityofdenton.com City Manager City of Denton Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Accepted: 7/25/2017 9:02:14 AM ID: 57619fbf-2aec-4b1f-805d-6bd7d9966f21</p>	<p>DocuSigned by: <i>Todd Hileman</i> B776C711BA0D454...</p> <p>Using IP Address: 47.184.87.251 Signed using mobile</p>	<p>Sent: 8/23/2017 3:31:28 PM Viewed: 8/23/2017 6:13:19 PM Signed: 8/23/2017 6:13:35 PM</p>
<p>Jennifer Walters jennifer.walters@cityofdenton.com City Secretary City of Denton Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	<p>DocuSigned by: <i>Jennifer Walters</i> C5BFACF1821946D...</p> <p>Using IP Address: 129.120.6.150</p>	<p>Sent: 8/23/2017 6:13:37 PM Viewed: 8/24/2017 7:57:27 AM Signed: 8/24/2017 7:57:40 AM</p>
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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
<p>Sherri Thurman sherri.thurman@cityofdenton.com Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 8/23/2017 2:24:03 PM
<p>Robin Fox Robin.fox@cityofdenton.com Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 8/23/2017 3:31:28 PM
<p>Jane Richardson jane.richardson@cityofdenton.com Assistant City Secretary City of Denton Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure: Not Offered via DocuSign</p>	COPIED	Sent: 8/24/2017 7:57:42 AM
<p>Jennifer Bridges jennifer.bridges@cityofdenton.com Procurement Assistant City of Denton Security Level: Email, Account Authentication (Optional)</p> <p>Electronic Record and Signature Disclosure:</p>	COPIED	Sent: 8/24/2017 7:57:42 AM

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Julia Winkley julia.Winkley@cityofdenton.com Contracts Administration Supervisor City of Denton Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 8/24/2017 7:57:42 AM
Bryan Langley Bryan.Langley@cityofdenton.com Assistant City Manager City of Denton Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 8/24/2017 7:57:42 AM
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
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Signing Complete	Security Checked	8/24/2017 7:57:42 AM
Completed	Security Checked	8/24/2017 7:57:42 AM
Payment Events	Status	Timestamps
Electronic Record and Signature Disclosure		

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

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.

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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.

To request paper copies from City of Denton

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to purchasing@cityofdenton.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

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:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC RECORD AND SIGNATURE DISCLOSURES document; and
- 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.