

THE STATE OF TEXAS §
 §
COUNTY OF DENTON §

SECOND AMENDMENT TO CONTRACT
BY AND BETWEEN THE CITY OF DENTON, TEXAS
AND DELOITTE & TOUCHE, LLP
CONTRACT NO. 6469

THIS SECOND AMENDMENT TO CONTRACT NO. 6469 (“Amendment”) by and between the City of Denton, Texas (“City”) and Deloitte & Touche, LLP (“Consultant”);

The original Agreement provided by Deloitte & Touche, LLP for professional services related to Agreement for Denton Municipal Electric (“DME”) and Energy Management Operations (“EMO”) Analysis, as is contained in Contract # 6469. The initial agreement for the Basic Services was approved on May 25, 2017, in the not-to-exceed amount of \$26,000. The first amendment for additional assessment services was approved on July 26, 2017, in the not-to-exceed amount of \$60,000.

The CITY deems it necessary to further expand the professional services provided by CONSULTANT to the CITY;

NOW THEREFORE,

1. “ARTICLE II, SCOPE OF SERVICES” of the Agreement is hereby amended to read as follows:

C. “CONSULTANT shall perform all those services set forth in the individual task orders as described in **Exhibit “1” – Statement of Work, Drafted: September 11, 2017**, which shall be attached to this Agreement and made a part hereof.

2. “ARTICLE V, COMPENSATION, B. BILLING AND PAYMENT” of the Agreement is hereby amended to read as follows:

“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 shown in **Exhibit “A” – Engagement Fees and Exhibit “1” – Statement of Work, Drafted: September 11, 2017**, which are attached hereto and made a part of this Agreement as if written word for word herein, a total fee not to exceed \$231,000.”

All other provisions of the contract, as heretofore amended, remain in full force and effect.

IN WITNESS WHEREOF, the CITY and the CONSULTANT, have each executed this Amendment, by and through their respective duly authorized representatives and officers on this date _____.

“CITY”

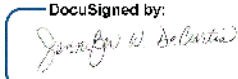
CITY OF DENTON, TEXAS
A Texas Municipal Corporation

By: _____
TODD HILEMAN
CITY MANAGER

ATTEST:
JENNIFER WALTERS, CITY SECRETARY

By: _____

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

By:  _____
5972538AC4584E9...

“CONSULTANT”

Deloitte & Touche, LLP
A Limited Liability Partnership

By:  _____
F69CE30D017C490...
AUTHORIZED SIGNATURE, TITLE

Exhibit 1

STATEMENT OF WORK, DRAFTED: September 11, 2017

This Statement of Work is to confirm the engagement of Deloitte & Touche LLP (“Consultant” or “we” or “our”) to provide City of Denton (the “Owner” or “you”) with analysis and recommendations in support of establishing Denton Municipal Electric’s (“DME”) the FY 2017 Energy Management Organization (“EMO”) cost savings benchmark (the “Services”). The engagement is subject to the terms of the Professional Services Agreement for DME’s EMO (designated by Client as File 6469) to which this Exhibit A is attached and made a part thereof.

SCOPE, APPROACH, AND ASSUMPTIONS

The nature of the Services that the Consultant is to perform for the Owner can be broken into the following tasks:

- Task 1: FY 2017 benchmark cost analysis
- Task 2: EMO capability maturity assessment

The scope of work will focus on helping the Owner and DME establish a benchmark for FY 2017 that is representative of the capabilities of the EMO. The approach to providing these services includes:

Task 1

Key Activities:

- Assess the appropriateness of different methodologies for calculating the FY2017 cost savings, including the following:
 - A benchmark method initially identified by DME for FY 2017: 3.5 heat rate adder over the DAM ERCOT index for energy
 - A benchmark method based on the following approach – Compare actual performance to the market forwards as of a particular date for the energy component
- Identify the advantages and disadvantages between benchmark different options
- Recommend an option going forward for the City and DME’s consideration

Deliverables

- Executive summary of analysis, results and recommendation
- The advantages and disadvantages of the different benchmark options
- A recommendation on the appropriate benchmark to use in the cost savings calculation

Duration and Fees:

- Approximately 3 weeks and 150 hours
- \$35,000, inclusive of travel

Task 2:

Key Activities

- Gain an understanding of DME's current energy risk management governance structure, control activities, resources and technology, including the possible risks assumed by DME with the creation of the EMO
- Interview specific Owner and DME personnel involved in the execution of the EMO program in order to develop an in-depth understanding of EMO's existing activities.
- Identify potential gaps and develop recommendations utilizing our proprietary Capability Maturity Model
- Review our findings and recommendations with appropriate Owner and DME personnel
- Advise DME management in their preparation for specific stakeholder discussions (e.g. Board of Directors, senior management, City Council) to gain agreement and consensus on their desired future state program

Deliverables:

- Risk Assessment Executive Summary
- Detailed Assessment Findings
- Advice and recommendation on the potential enhancement for EMO's consideration to help achieve the desired future state and/or close identified gaps

Duration and Fees:

- Approximately 5 weeks and 400 Hours
- \$110,000 inclusive of travel

ACKNOWLEDGMENTS AND AGREEMENTS

- Substantial and meaningful involvement of key stakeholders in the risk assessment and risk identification process of the Company is critical to the success of this engagement. The Company shall be responsible for ensuring that the identified Company personnel actively participate in both the planning and execution of this engagement.
- The Services will not constitute an engagement to provide audit, compilation, review, or attestation services as described in the pronouncements on professional standards issued by the AICPA, the Public Company Accounting Oversight Board, or other regulatory body and, therefore, we will not express an opinion or any other form of assurance as a result of performing the Services.
- Consultant will not make any management decisions, perform any management functions, or assume any management responsibilities.
- Observable inputs such as market data shall be provided by the Owner or agreed with Owner for use in the assessment

The Services will be performed in accordance with the Statement on Standards for Consulting Services issued by the American Institute of Certified Public Accountants (AICPA).

TIMETABLE

Based on our experience delivering similar engagements, we believe that the services described can be provided in approximately six (6) weeks.

ENGAGEMENT FEES

The estimated fees for this engagement are estimated not to exceed \$145,000 inclusive of travel, based on the following rates and approximately 550 hours:

| Resource Level | Hourly Rate |
|---------------------------------------|-------------|
| Partner, Principal, Managing Director | \$445 |
| Senior Manager | \$415 |
| Manager | \$380 |
| Senior Consultant | \$330 |
| Consultant | \$280 |
| US India Senior Consultant | \$91 |

Certificate Of Completion


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|--|---------------------------------|
| Envelope Id: F3E32C78946E43E9BC3FDEB718F2BCF0 | Status: Sent |
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| Source Envelope: | |
| Document Pages: 6 | Signatures: 2 |
| 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: 10.102.101.11 |

Record Tracking

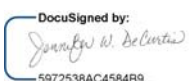
| | | |
|----------------------|---------------------------------|--------------------|
| Status: Original | Holder: Cindy Alonzo | Location: DocuSign |
| 10/5/2017 7:54:05 AM | Cynthia.Alonzo@cityofdenton.com | |

Signer Events

| Signer Events | Signature | Timestamp |
|--|---------------------------------|------------------------------|
| Cindy Alonzo | Completed | Sent: 10/5/2017 8:13:58 AM |
| cynthia.alonzo@cityofdenton.com | | Viewed: 10/5/2017 8:14:08 AM |
| Buyer | | Signed: 10/5/2017 8:16:34 AM |
| City of Denton | Using IP Address: 129.120.6.150 | |
| Security Level: Email, Account Authentication (Optional) | | |
| Electronic Record and Signature Disclosure: | | |
| Not Offered via DocuSign | | |

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| Stephen K. Engler Deloitte & Touche, LLP |  | Sent: 10/5/2017 8:16:36 AM |
| sengler@deloitte.com | | Viewed: 10/5/2017 8:24:28 AM |
| Managing Director | | Signed: 10/5/2017 8:25:59 AM |
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| Jennifer DeCurtis |  | Sent: 10/5/2017 8:26:02 AM |
| jennifer.decurtis@cityofdenton.com | | Viewed: 10/5/2017 9:19:43 AM |
| Deputy City Attorney | | Signed: 10/5/2017 9:20:05 AM |

| | |
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| City of Denton | Using IP Address: 129.120.6.150 |
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Electronic Record and Signature Disclosure:
Not Offered via DocuSign

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| Julia Winkley | Sent: 10/5/2017 9:20:07 AM |
| 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

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| Todd Hileman |
| todd.hileman@cityofdenton.com |
| Security Level: Email, Account Authentication (Optional) |

Electronic Record and Signature Disclosure:

| Signer Events | Signature | Timestamp |
|---|-------------------|--|
| Accepted: 7/25/2017 9:02:14 AM ID: 57619fbf-2aec-4b1f-805d-6bd7d9966f21 Jennifer Walters jennifer.walters@cityofdenton.com Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign | | |
| 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 |
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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 | <div>COPIED</div> | Sent: 10/5/2017 8:26:01 AM Viewed: 10/5/2017 8:30:12 AM |
| Sherri Thurman sherri.thurman@cityofdenton.com Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign | <div>COPIED</div> | Sent: 10/5/2017 8:26:01 AM |
| Jane Richardson jane.richardson@cityofdenton.com Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign | | |
| Robin Fox Robin.fox@cityofdenton.com Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign | | |
| Jennifer Bridges jennifer.bridges@cityofdenton.com Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign | | |

| Carbon Copy Events | Status | Timestamp |
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| Jane Richardson jane.richardson@cityofdenton.com Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign | | |
| Sarah Kuechler sarah.kuechler@cityofdenton.com Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign | | |
| Tim Metts Deloitte & Touche LLP tmetts@deloitte.com Security Level: Email, Account Authentication (Optional) Electronic Record and Signature Disclosure: Not Offered via DocuSign | | |
| Notary Events | Signature | Timestamp |
| Envelope Summary Events | Status | Timestamps |
| Envelope Sent | Hashed/Encrypted | 10/5/2017 9:20:07 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.

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.

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.