



Legislation Text

File #: PUB17-035, **Version:** 1

Agenda Information Sheet

DEPARTMENT: Denton Municipal Electric (DME)

CM/ ACM: Howard Martin, Utilities, 349-8232

Date: February 13, 2017

SUBJECT

Consider recommendation of an ordinance of the City of Denton, Texas authorizing the City Manager to execute a Contract by and between the City of Denton, Texas and LCG Consulting, Inc. (LCG) regarding a Software Licensing Agreement for the UPLAN Network Power Model (NPM), Application Programming Interface (API), 2017 ERCOT Database, and ERCOT Market Tools for purpose of supporting the Energy Management Operation of DME; providing for the expenditure of funds therefore; providing an effective date of February 21, 2017 (Initial File No. RFP 5424 - Awarded to LCG Consulting, Inc. (LCG) in the amount of not-to-exceed \$309,000).

BACKGROUND

This software was initially competitively bid in December 2013. LCG provided the lowest cost bid and highest product evaluation for RFP # 5424, in January 2014. The software provider, LCG Consulting has agreed to extend the contract for another three years at the original price that was quoted three years ago. The existing contract will expire on February 16, 2017.

This software has been utilized by the EMO for the past three years. In order to continue to ensure that the EMO staff can make the best possible decision regarding market purchases, sales, and interpreting future transmission congestion, this software is required. The total contract cost for three years of licensing the software is \$309,000.

The annual contract can be broken down into the following items:

1.	UPLAN Network Power Model, Licensing	\$ 80,000
2.	Application Programming Interface (API)	\$ 8,000
3.	ERCOT Annual Database	\$ 10,000
4.	ERCOT Market Tools	\$ 5,000
	Total first year Cost	\$ 103,000
5.	Year 2, cost	\$ 103,000
6.	Year 3, cost	\$ 103,000
	Three year total contract cost	\$ 309,000

OPTIONS

- 1) Approve a Licensing Agreement between the City of Denton, Texas and LCG Consulting, Inc.,

- comprised of a Licensing Agreement for the UPLAN Software and associated ERCOT Market tools.
- 2) Not approve a Licensing Agreement between the City of Denton, Texas and LCG Consulting, Inc., comprised of a Licensing Agreement for the UPLAN Software and associated ERCOT Market tools.

RECOMMENDATION

Staff recommends that the City Council approve the procurement of this software. This software is required by the Energy Management Organization (EMO) to provide the ability to “fundamentally” model the electric forward market, model forward congestion, and project future load zones prices due to changes in transmission topology and generation.

ESTIMATED SCHEDULE OF PROJECT

- 02/13/2017 - Approval by PUB
- 02/21/2017 - Approval by City Council and contract signed
- 02/21/2017 - Software delivered

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

- 02/02/2014 - Approved by PUB
- 02/04/2014 - Approval by City Council and contract signed
- 02/04/2014 - current date, software in use by the EMO

FISCAL INFORMATION

This software has been budgeted in the Energy Management Organization budget.

BID INFORMATION

Please see exhibits

STRATEGIC PLAN RELATIONSHIP

The City of Denton’s Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Organizational Excellence**
Related Goal: **1.2 Develop a high-performance work force**

EXHIBITS

Respectfully submitted:
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General Manager

Prepared by:
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Energy Market Manager