

**CPS ENERGY**  
**MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES**  
**HELD ON JUNE 26, 2023**

The Regular Meeting of the Board of Trustees of CPS Energy for the month of June was held on Monday, June 26, 2023 in the Board Room on the First Floor of the CPS Energy headquarters located at 500 McCullough, San Antonio, Texas.

**I. CALL TO ORDER**

Chair Gonzalez called the meeting to order at 1:00 p.m.

Present were Board members:

Ms. Janie Gonzalez, Chair  
Dr. Francine Romero, Vice Chair  
Dr. Willis Mackey  
Mr. John Steen  
Mayor Ron Nirenberg

Also present were:

Mr. Rudy Garza, President & CEO  
Ms. Shanna M. Ramirez, Chief Legal & Ethics Officer, General Counsel & Board Secretary  
Mr. Cory Kuchinsky, Chief Financial Officer  
Ms. Deanna Hardwick, Chief Customer Strategy Officer  
Mr. Evan O'Mahoney, Interim Chief Information Officer  
Ms. Lisa Lewis, Chief Administrative Officer  
Mr. Benny Ethridge, Chief Energy Supply Officer  
CPS Energy staff members  
City of San Antonio officials  
Interested Citizens

**II. SAFETY MESSAGE, INVOCATION AND PLEDGE OF ALLEGIANCE**

A safety message, invocation, and the Pledge of Allegiance were delivered by Ms. Kari Meyer, Director, Federal and State Relations.

**III. PUBLIC COMMENT**

Ms. Henrietta LaGrange, community member, requested an in-person meeting with Pablo Vegas, President & CEO of ERCOT, and his board to discuss reliability in ERCOT.

Ms. Debbie Ponce, Public Citizen, spoke on behalf of DeeDee Balmares, a RAC Member, related to agenda item 5. She commented on the information she provided through the RAC survey and requested that the RAC continue to exist to advocate for ratepayers.

#### **IV. CHAIR'S REMARKS**

Chair Gonzalez thanked her fellow Board Members for the discussion during the June 12 Special Board Meeting and stated the Board will continue to set CPS Energy on a course that guarantees a brighter future for the next generation of CPS Energy customers. She also noted the avenues in which customers can communicate with CPS Energy and receive information about our programs and upcoming events.

#### **V. RATE ADVISORY COMMITTEE (RAC) UPDATE**

Vice Chair Dr. Romero provided a report regarding the RAC. She stated the RAC aggregated the views of the RAC members through a survey on how to address affordability. A majority of RAC members responded with their responses, and the responses have been shared with CPS Energy staff and RAC members. She further stated that the last RAC meeting will take place on Thursday, June 29, 2023 to discuss the results of the survey.

#### **VI. AT-LARGE APPOINTMENT TO THE CITIZENS ADVISORY COMMITTEE (CAC)**

Ms. Yvonne Pelayo, Director of Local Government Relations, presented the CAC nominee, Mr. Aaron Stein, a project manager with the Pacific Northwest National Lab, focusing on energy and climate resiliency. A motion to approve Mr. Stein to the CAC was made by Vice Chair Dr. Romero and seconded by Trustee Dr. Mackey and was approved unanimously. The Board of Trustees welcomed Mr. Stein to the CAC.

Mr. John Kelly, Chair of the CAC, offered a few words to thank Ms. Mary Dennis, the Mayor of Live Oak, for her service to the CAC as a member from December 1, 2016 to November 30, 2022. Mayor Nirenberg and Trustee Dr. Mackey also thanked Ms. Dennis for her service.

#### **VII. EXECUTIVE SESSION**

At approximately 1:32 p.m., Ms. Ramirez announced that the required notice had been posted and that the Trustees, with only necessary parties in attendance, would convene into Executive Session, pursuant to the provisions of Chapter 551 of the Texas Government Code, for discussion of a number of posted items, including the following:

- Attorney-Client Matters (§551.071)
- Competitive Matters (§551.086)

The Board reconvened in open session at 2:22 p.m. The quorum was re-established, and all members were present. Ms. Ramirez reported that only the matters cited above, and no others were discussed, and no votes were taken in Executive Session.

#### **VIII. APPROVAL OF CONSENT ITEMS**

On a motion duly made by Trustee Dr. Mackey, seconded by Vice Chair Dr. Romero, and upon affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved:

**B. Minutes of the Regular Board meeting held on April 24, 2023**  
**C. Approval of Payment to the City of San Antonio for May 2023**

The New Series Bond Ordinance that took effect February 1, 1997 provides for a total cash payment to the City of San Antonio (City) in an amount not to exceed 14% of gross revenue as calculated pursuant to such Ordinance, less the value of other services provided to the City, with the percentage (within the 14% limitation) to be determined by the governing body of the City. The cash transfer to the City for the month of May 2023 is based on actual gross revenue per the New Series Bond Ordinance of \$204,549,339.18, less applicable exclusions. In accordance with the New Series Bond Ordinance Flow of Funds requirements, current month revenue did not meet the full obligation for City Payment by \$11,080,284.88. This situation is a common occurrence for CPS Energy in the spring months due to the seasonal billing patterns. Under the previously approved agreement with the City, CPS Energy will advance to the City \$11,080,284.88 against future months' revenues for fiscal year 2024. The revenue for the month of May 2023 is calculated as follows:

|  |  |                                |
|--|--|--------------------------------|
| Gross revenue per CPS Energy financial statements  |  |                                |
| Electric revenue   |  | \$246,059,242.30               |
| Gas revenue  |  | 13,325,913.77                  |
| Interest and other income  |  | 6,751,112.27                   |
| Gross revenue per CPS Energy financial statements  |  | <u>266,136,268.34</u>          |
| Excluded revenue   |  |                                |
| School and hospital revenue per City Ordinance 55022   |  | (7,281,528.07)                 |
| LVG revenue per City Ordinance 100709  |  | (80,354.54)                    |
| Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts                  |  | (13,296,874.59)                |
| Noncash and other income, GASB 31 investment market value change, miscellaneous interest income, gas billing adjustment and unbilled revenue |  | <u>(40,928,171.96)</u>         |
| Total excluded revenue   |  | <u>(61,586,929.16)</u>         |
| Gross revenue per New Series Bond Ordinance subject to 14% payment to the City   |  | <u><u>\$204,549,339.18</u></u> |
| City payment per Bond Ordinance for May 2023 based upon May 2023 revenue   |  | \$28,636,907.49                |
| City payment per memorandum of understanding (MOU) regarding wholesale special contracts   |  | 606,204.56                     |
| City Payment reduction per gas customer billing adjustment MOU   |  | <u>(12,500.00)</u>             |
| City payment per Bond Ordinance plus adjustments for memorandums of understanding  |  | 29,230,612.05                  |
| Utility services provided to the City for May 2023   |  | <u>(2,658,141.77)</u>          |
| Net amount to be paid from May 2023 revenue to   |  |                                |

A

the City in June 2023

\$26,572,470.28

Comparison of City payment per Bond Ordinance (plus adjustments for memorandums of understanding) vs. Budget before deduction for utility services provided to the City:

(Dollars in thousands)

| May 2023                | Actual    | Budget    | Variance   |        |
|-------------------------|-----------|-----------|------------|--------|
| Current Month* <b>A</b> | \$29,230  | \$32,903  | (\$3,673)  | -11.2% |
| Year-to-Date**          | \$117,148 | \$130,392 | (\$13,244) | -10.2% |

\* This amount does not include any additional funding authorized by the Board of Trustees.

\*\* Current month and YTD Actual in the summary table above includes a rounding adjustment of 1 to match Board Schedules.

Approval of the following resolution is requested:

- A. "BE IT RESOLVED** by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$26,572,470.28 representing 14% of applicable system gross revenues for the month of May 2023, such payment being net of City utility services (\$2,658,141.77), and including the current month shortage, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2024 is \$42,351,639.97.

**D. Procurement Items:**

1. **Item Description:** **Specialty Scaffolding Services**  
**Purchase Category:** General Services  
**Supplier:** BrandSafway, LLC  
Taurus Industrial Group, LLC
2. **Item Description:** **Weatherization Services**  
**Purchase Category:** General Services  
**Supplier:** AG3 Group, LLC  
Cool Component HG & A/C, Inc.  
GGA Construction & Design, LLC  
Lone Star Energy Efficiency, LLC  
M&M Weatherization Company  
Ram's Weatherization and Construction Company, LLC  
Roadrunner Remodeling, Inc.
3. **Item Description:** **Physical Security Services**  
**Purchase Category:** General Services  
**Supplier:** TriCorps Security, Inc.
4. **Item Description:** **Supply and Build Delivery of Unleaded, Ethanol, On-Road Diesel, Off-Road Diesel and Diesel Exhaust Fluid (DEF)**

**Purchase Category:** Commodity and Materials Goods  
**Supplier:** Petroleum Traders Corporation  
 Mansfield Oil Company of Gainesville, Inc.

\*The listed Procurement Item to be attached as Attachment "A".

Chair Gonzalez pulled Consent Item 8A (Amendment to the Rules of Order) for discussion and a separate vote.

#### **A. Amendment to the Rules of Order**

Trustee Dr. Mackey made a motion to approve and Vice Chair Dr. Romero seconded. Trustee Steen stated he had substantive concerns about the proposed changes. Trustee Steen then made a motion to table the approval of the Rules of Order until a future meeting. No second was made.

In addition to Trustee Steen, Vice Chair Dr. Romero also requested clarification regarding the Rules of Order. Ms. Ramirez clarified. Mayor Nirenberg offered comments and then suggested striking proposed Subsection (e) of Article 7. Trustee Dr. Mackey offered comments that he appreciated the spirit of the provision but accepted the friendly amendment to strike proposed Subsection (e) of Article 7. The motion, as amended, passed 4-1, with Trustee Steen voting against.

### **IX. CPS ENERGY & THE 88<sup>TH</sup> LEGISLATURE**

Ms. Kathy Garcia, Vice President of Government & Regulatory Affairs & Public Policy, made introductory comments regarding the 88<sup>th</sup> Legislature, stating this legislative session was successful for CPS Energy. She then introduced Ms. Kari Meyer, Director, Federal and State Relations, who discussed CPS Energy's legislative priorities related to utility governance and reliability and resiliency. Ms. Meyer stressed that customer affordability and impacts were woven throughout the discussion related to these bills.

Trustee Steen and Chair Gonzalez offered feedback to the presentation. Chair Gonzalez asked Mr. Garza to continue keeping the Board apprised of the implementation of bills.

### **X. FY2024 QUARTERLY PERFORMANCE UPDATE**

Mr. Kuchinsky provided the Quarter 1 (Q1) performance results, including year to date operations and maintenance expenditures, revenue, and repair and replacement contributions. He reported financial performance is favorable to plan due to lower operations & maintenance expenditures and higher interest on income investments. He also noted that after Q1, the current projection for adjusted debt service coverage ratio is 1.62, debt capitalization ratio is 62.6%, and days cash on hand are 170 days, which are above Rating Agency targets.

Mr. Kuchinsky then turned it over to Ms. Hardwick to present on April 2023 Account Receivables. She reported 207,000 customer accounts past due, totaling approximately \$189 million. She also reported that enrollments in installment plans increased to 74,000, representing 50% of past due balances. Trustee Steen stated the numbers represented April 2023 and asked for more recent numbers. Ms. Hardwick stated they would be reported as soon as they were ready.

Trustee Steen directed his comments to Mr. Garza to ask him what "the end game" was with account receivables. Mr. Garza responded that it is to collect all outstanding revenues, run the company, and ensure the revenues match the expenses.

Chair Gonzalez commented on her concerns regarding the impact of the receivables and the installment plans in the wake of the summer temperatures. Ms. Hardwick commented that her team is tracking past due amounts, even as they might grow during the summer. She committed to bringing back more of that information to the Board.

Vice Chair Dr. Romero discussed delinquencies in installment plans and how that compares with other utilities in the country. Ms. Hardwick stated that CPS Energy has submitted the question to benchmarking agencies, and stated she would report back. Mr. Garza added the intent is to create installment plans CPS Energy customers can afford to put them in best position.

#### **XI. CEO RECOGNITION**

Ms. Garza provided the core value award to members of the Customer Value Optimization, People and Culture, Enterprise Risk Management, Supply Chain, Environmental, Underground Operations, Audit, Safety, Community Engagement, Corporate Responsibility, Service Desk, and Network Operations teams.

Mr. Garza noted that the American Public Power Association (APPA) recognized CPS Energy with a System Achievement Award. Mr. Garza also recognized the APPA award to Chair Gonzalez for her public service.

#### **XII. REVIEW OF ACTION ITEMS**

Ms. Ramirez reported that no action items were open from prior meetings. She reported that CPS Energy staff would follow up with the percentage of residential customers with past due accounts. Chair Gonzalez added an item to provide updates related to the implementation of bills from the legislative session. Mr. Garza further added that a discussion related to core values would be scheduled for a future board working session.

#### **XIII. ADJOURNMENT**

There being no further business to come before the Board, upon a motion duly made by Trustee Dr. Mackey, seconded by Mayor Nirenberg and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:42 p.m. by Chair Gonzalez.

  
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Shanna M. Ramirez  
Secretary of the Board



**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**APPROVAL of PROCUREMENT ITEMS**  
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| <b>1. Item Description:</b><br><b>Purchase Category:</b><br><b>Supplier:</b> | <b>Specialty Scaffolding Services</b> |
|  | <b>General Services</b>               |
|  | BrandSafway, LLC                      |
|  | Taurus Industrial Group, LLC          |

|  |  |
|--|--|
| <b>2. Item Description:</b><br><b>Purchase Category:</b><br><b>Supplier:</b> | <b>Weatherization Services</b>                     |
|  | <b>General Services</b>                            |
|  | AG3 Group, LLC                                     |
|  | Cool Component HTG & A/C, Inc.                     |
|  | GGA Construction and Design, LLC                   |
|  | Lone Star Energy Efficiency, LLC                   |
|  | M&M Weatherization Company                         |
|  | Ram’s Weatherization and Construction Company, LLC |
| Roadrunner Remodeling, Inc.  |  |

|  |                                   |
|--|-----------------------------------|
| <b>3. Item Description:</b><br><b>Purchase Category:</b><br><b>Supplier:</b> | <b>Physical Security Services</b> |
|  | <b>General Services</b>           |
|  | TriCorps Security, Inc.           |

4.

**Item Description:**

|  |
|--|
| <b>Supply and Bulk Delivery of Unleaded, Ethanol, On-Road Diesel, Off-Road Diesel and Diesel Exhaust Fluid (DEF)</b> |
|--|

**Purchase Category:**

|                                     |
|-------------------------------------|
| <b>Commodity and Material Goods</b> |
|-------------------------------------|

**Supplier:**

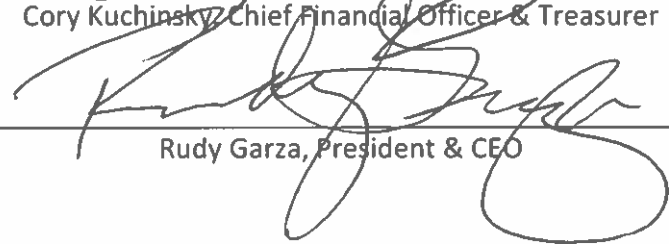
|                               |
|-------------------------------|
| Petroleum Traders Corporation |
|-------------------------------|

|  |
|--|
| Mansfield Oil Company of Gainesville, Inc. |
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**Approval:**

  
\_\_\_\_\_  
Cory Kuchinsky, Chief Financial Officer & Treasurer

**Approval:**

  
\_\_\_\_\_  
Rudy Garza, President & CEO





**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**Procurement Form 1**

|  |                                       |
|--|---------------------------------------|
| <b>Item Description</b>                          | <b>Specialty Scaffolding Services</b> |
| <b>Purchase Order Value</b>                      | <b>\$13,000,000</b>                   |
| <b>Purchase Category</b>                         | <b>General Services</b>               |
| <b>Department</b>                                | <b>Power Generation</b>               |
| <b>VP Gen Excellence &amp; Nuclear Oversight</b> | <b>Larry Blaylock</b>                 |
| <b>EVP Energy Supply</b>                         | <b>Benjamin Ethridge</b>              |

**Detailed Description**

CPS Energy staff recommends that a contract be awarded to BrandSafway, LLC and Taurus Industrial Group, LLC, both local businesses, as the respondents who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts will provide specialty scaffolding installation and removal services required to safely access and perform maintenance and repairs in hard-to-reach areas at the power plants. These contracts will expire on June 30, 2026.

**Subcontracting Opportunities**

BrandSafway, LLC and Taurus Industrial Group, LLC have each committed to subcontract 10% of overall spend to diverse businesses.

The solicitation method for this procurement was a **Request for Proposals (RFP)**. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

| <b>Evaluation Criteria</b>                            | <b>Points</b> |
|---|---------------|
| Experience and qualifications to perform the Services | 39            |
| Safety records and training program                   | 20            |
| Overall Cost  | 20            |
| Economic Development (local & diverse consideration)  | 10            |
| The ability to meet CPS Energy's requirements         | 6             |
| The financial soundness of the Respondent             | 5             |
| <b>TOTAL</b>  | <b>100</b>    |



**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**Procurement Form 1**

**Recommended Respondent(s) & Award**

| Respondent Name              | SBA Classification & Details | Score | PO Value            | PO #    | Comments |
|------------------------------|------------------------------|-------|---------------------|---------|----------|
| Taurus Industrial Group, LLC | Local                        | 88    | \$6,500,000         | 2211515 |          |
| BrandSafway, LLC             | Local                        | 84    | \$6,500,000         | 2212196 |          |
| <b>TOTAL</b>                 |                              |       | <b>\$13,000,000</b> |         |          |

Two (2) additional respondents were not recommended for award: Axis Industrial Holdings, Inc. dba Axis Industries and High West Services, LLC.

**Annual Funds Budgeted**

| Corporate Annual Budget | Funding Method | Projected FY2024 PO Spend | % of FY2024 Annual Corp Budget | Projected FY2025 PO Spend | Projected FY2026 PO Spend | Projected FY2027 PO Spend |
|-------------------------|----------------|---------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|
| \$940,520,261           | Capital        | \$0                       | 0%                             | \$0                       | \$0                       | \$0                       |
| \$773,000,000           | Non-Fuel O&M   | \$1,405,000               | 0.18%                          | \$4,000,000               | \$4,000,000               | \$3,595,000               |

Our current approved budget and latest estimates support these new purchase orders.

**Procurement Item: General Services**



■ Local & Diverse   
 ■ Local   
 ■ Diverse   
 ■ Other



**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**Procurement Form 2**

|  |                                |
|--|--------------------------------|
| <b>Item Description</b>                        | <b>Weatherization Services</b> |
| <b>Purchase Order Value</b>                    | <b>\$82,500,000</b>            |
| <b>Purchase Category</b>                       | <b>General Services</b>        |
| <b>Department</b>                              | <b>Financial Services</b>      |
| <b>VP Enterprise Risk &amp; Development</b>    | <b>Jonathan Tijerina</b>       |
| <b>Chief Financial Officer &amp; Treasurer</b> | <b>Cory Kuchinsky</b>          |

**Detailed Description**

CPS Energy staff recommends that contracts be awarded to:

- AG3 Group, LLC, a local, diverse firm (Program A and Program C)
- M&M Weatherization Company, a local, diverse firm (Program B)
- GGA Construction and Design, LLC, a local, diverse firm (Program B)
- Roadrunner Remodeling, Inc., a local, diverse firm (Program B)
- Cool Component HTG & A/C, Inc., a local, diverse firm (Program B)
- Ram's Weatherization and Construction, LLC, a local, diverse firm (Program B)
- Lone Star Energy Efficiency, LLC, a local, diverse firm (Program C)

as the respondents who will provide the goods or services at the best value for CPS Energy based on the evaluation criteria set forth below.

This contract is for services to support the next phase of the Sustainable Tomorrow Energy Plan (STEP) Weatherization program. CPS Energy's new re-imagined weatherization program aims to reduce barriers to participation for CPS Energy's most vulnerable customers, as well as creates new opportunities for local, small businesses to work directly with CPS Energy. The contract scope was debundled into three separate program areas: Program A: Customer Management, Program B: Installation Services, and Program C: Assessment and Inspection Services.

This contract allows CPS Energy to provide the free installation of energy efficiency upgrades in the homes of customers with the highest energy burden. This contract is for a term of four (4) years and will expire July 31, 2027.

**Subcontracting Opportunities**

All companies recommended for award are local, diverse businesses with corporate headquarters in the San Antonio Metropolitan Area.



**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**Procurement Form 2**

The solicitation method for this procurement was a Request for Proposal. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

| Evaluation Criteria                                   | Points     |
|---|------------|
| The ability to meet CPS Energy's requirements         | 35         |
| Overall cost and value of the program(s)              | 20         |
| Safety records and training program                   | 20         |
| Experience and qualifications to perform the Services | 10         |
| Economic Development (local & diverse consideration)  | 10         |
| The financial soundness of the Respondent             | 5          |
| <b>TOTAL</b>  | <b>100</b> |

| Recommended Respondent(s) & Award |  |       |              |         |   |
|-----------------------------------|--|-------|--------------|---------|---|
| Respondent Name                   | SBA Classification & Details                                   | Score | PO Value     | PO #    | Comments  |
| AG3 Group, LLC                    | Local/Diverse<br>(Small, Hispanic American-owned, Woman-owned) | 81    | \$17,250,000 | 2213113 | Corporate headquarters based in San Antonio Metropolitan Area |
| Lone Star Energy Efficiency, LLC  | Local/Diverse<br>(Small, Hispanic American-owned, Woman-owned) | 67    | \$5,250,000  | 2213114 | Corporate headquarters based in San Antonio Metropolitan Area |
| M&M Weatherization Company        | Local/Diverse<br>(Small, Hispanic American-owned)              | 60    | \$12,000,000 | 2212903 | Corporate headquarters based in San Antonio Metropolitan Area |
| GGA Construction and Design, LLC  | Local/Diverse<br>(Small, Hispanic American-owned)              | 58    | \$12,000,000 | 2212905 | Corporate headquarters based in San Antonio Metropolitan Area |
| Roadrunner Remodeling, Inc.       | Local/Diverse<br>(Small, Hispanic American-owned)              | 55    | \$12,000,000 | 2212906 | Corporate headquarters based in San Antonio Metropolitan Area |
| Cool Component HTG & AC, Inc.     | Local/Diverse<br>(Small, Hispanic American-owned)              | 49    | \$12,000,000 | 2212907 | Corporate headquarters based in San Antonio Metropolitan Area |



**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**Procurement Form 2**

|  |   |    |                     |         |   |
|--|---|----|---------------------|---------|---|
| Ram's Weatherization & Construction Company, LLC | Local/Diverse (Small, Hispanic American-owned, Woman-owned) | 46 | \$12,000,000        | 2212908 | Corporate headquarters based in San Antonio Metropolitan Area |
| <b>TOTAL</b>                                     |   |    | <b>\$82,500,000</b> |         |   |

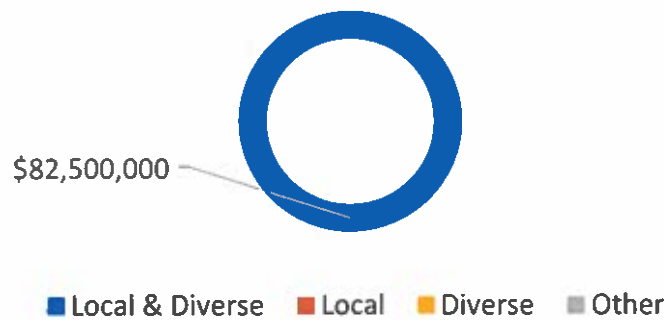
Five (5) additional respondents were not recommended for award: Resource Innovations, Inc.; Real Energy Solutions, LLC; I & A Homes and Weatherization, LLC; San Antonio Smart Solutions; and Central Texas RetroFoam, LLC.

| Annual Funds Budgeted   |                   |                           |                                |                           |                           |                           |
|-------------------------|-------------------|---------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|
| Corporate Annual Budget | Funding Method    | Projected FY2024 PO Spend | % of FY2024 Annual Corp Budget | Projected FY2025 PO Spend | Projected FY2026 PO Spend | Projected FY2027 PO Spend |
| \$940,520,261           | Capital           | \$0                       | 0%                             | \$0                       | \$0                       | \$0                       |
| \$2,285,821,000         | Operating Budget* | \$10,500,000              | 0.46%                          | \$20,000,000              | \$20,000,000              | \$22,000,000              |

Our current approved budget and latest estimates support these new purchase orders.

\*This represents the full operating budget, which combines Fuel, Non-Fuel O&M and other operating expense.

**Procurement Item: General Services**





**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**Procurement Form 3**

|  |                                   |
|--|-----------------------------------|
| <b>Item Description</b>                                | <b>Physical Security Services</b> |
| <b>Purchase Order Value</b>                            | <b>\$70,000,000</b>               |
| <b>Purchase Category</b>                               | <b>General Services</b>           |
| <b>Department</b>                                      | <b>Integrated Security</b>        |
| <b>VP Integrated Security Officer</b>                  | <b>Jonathan Homer</b>             |
| <b>Chief LEO General Counsel &amp; Board Secretary</b> | <b>Shanna Ramirez</b>             |

**Detailed Description**

CPS Energy staff recommends that a contract be awarded to TriCorps Security, Inc., a local firm, as the respondent who will provide the services at the best value for CPS Energy based on the evaluation criteria set forth below.

This recurring contract is for Security Officers. This contract will continue to provide CPS Energy with the required staffing and resources to support critical security services for 24/7/365 security operations. This contract will include uniformed security guards, operators for the Security Operations Center ("SOC"), various security mobile patrols, and the availability of additional security officers on an as-needed basis outside of regular security guard staffing. This contract will allow CPS Energy to address the ever-changing physical security threats faced by CPS Energy, protecting our employees, customers, and contractors. This contract is for five (5) years and will expire on July 2, 2028.

**Subcontracting Opportunities**

TriCorps Security, Inc has committed to subcontracting 15% of overall spend to the following business:

- Whitman Consulting, Security Services, Private Investigations, LLC is a local, small, woman-owned, veteran-owned business providing physical security services.

**The solicitation method for this procurement was a Request for Proposals.** An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

| Evaluation Criteria                                   | Points     |
|---|------------|
| Experience and qualifications to perform the Services | 36         |
| The overall cost                                      | 30         |
| Safety records and training program                   | 20         |
| Economic Development (local & diverse consideration)  | 10         |
| The financial soundness of the Respondent             | 4          |
| <b>TOTAL</b>  | <b>100</b> |



**CPS Energy Board of Trustees Meeting**  
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**Procurement Form 3**

| Respondent Name         | SBA Classification & Details | Score | PO Value            | PO #    | Comments |
|-------------------------|------------------------------|-------|---------------------|---------|----------|
| TriCorps Security, Inc. | Local                        | 76    | \$70,000,000        | 2213301 |          |
| <b>TOTAL</b>            |                              |       | <b>\$70,000,000</b> |         |          |

Ten (10) additional respondents were not recommended for award: Controlled F.O.R.C.E., Inc.; Inter-Con Security Systems, Inc.; Prosegur Services Group, Inc.; Securitas Security Services USA, Inc.; Single Source Security, LLC dba Protos Security; Smith Protective Services, Inc.; Sunstates Security, LLC; Universal Protection Service, LP dba Allied Universal Security Services; Vets Sourcing America, Inc.; and Whelan Security Co. dba GardaWorld Security Services.

| Annual Funds Budgeted   |                |                           |                                |                           |                           |                           |
|-------------------------|----------------|---------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|
| Corporate Annual Budget | Funding Method | Projected FY2024 PO Spend | % of FY2024 Annual Corp Budget | Projected FY2025 PO Spend | Projected FY2026 PO Spend | Projected FY2027 PO Spend |
| \$940,520,261           | Capital        | \$0                       | 0%                             | \$0                       | \$0                       | \$0                       |
| \$773,000,000           | Non-Fuel O&M   | \$4,500,000               | 0.58%                          | \$8,500,000               | \$8,700,000               | \$9,200,000               |

Our current approved budget and latest estimates support these new purchase orders.

**Procurement Item: General Services**



- Local & Diverse
- Local
- Diverse
- Other



**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**Procurement Form 4**

|                                     |  |
|-------------------------------------|--|
| <b>Item Description</b>             | <b>Supply and Bulk Delivery of Unleaded, Ethanol, On-Road Diesel, Off-Road Diesel and Diesel Exhaust Fluid (DEF)</b> |
| <b>Purchase Order Value</b>         | <b>\$20,000,000</b>  |
| <b>Purchase Category</b>            | Commodity & Material Goods   |
| <b>Department</b>                   | Supply Chain – Warehouse Operations  |
| <b>VP Supply Chain</b>              | Maria Stanton  |
| <b>Chief Administrative Officer</b> | Lisa Lewis   |

**Detailed Description**

CPS Energy staff recommends that contracts for the supply of bulk delivery of various fuels be awarded to Petroleum Traders Corporation, a diverse firm, and Mansfield Oil Company of Gainesville, Inc. as the respondents who will provide the materials at the best value for CPS Energy based on the evaluation criteria set forth below.

These contracts are for the procurement of the supply and delivery of unleaded, ethanol, on-road diesel, off-road diesel and diesel exhaust fluid (DEF) for CPS Energy vehicles and equipment. These contracts will allow CPS Energy to provide over 3,000,000 gallons of various fuels to our enterprise throughout the term of the contracts. Two (2) suppliers are recommended for award to expand supply availability. The total value of the two (2) contracts has increased by 20% from the previous contract term to account for unpredictable prices experienced in this market. These contracts will support our enterprise throughout their expiration on July 31, 2026.

**Subcontracting Opportunities**

Mansfield Oil Company of Gainesville, Inc. has committed to subcontracting fuel transportation services to Marshall Distributing Company, a local business.

The solicitation method for this procurement was a Request for Proposals. An evaluation team considered the following weighted evaluation criteria to determine the best value to CPS Energy.

| Evaluation Criteria                                   | Points     |
|---|------------|
| Experience and qualifications to perform the Services | 26         |
| The overall cost                                      | 21         |
| Safety records and training program                   | 20         |
| The ability to meet CPS Energy's requirements         | 12         |
| The financial soundness of the Respondent             | 11         |
| Economic Development (local & diverse consideration)  | 10         |
| <b>TOTAL</b>  | <b>100</b> |





**CPS Energy Board of Trustees Meeting**  
**June 26, 2023**  
**Procurement Form 4**

**Recommended Respondent(s) & Award**

| Respondent Name                            | SBA Classification & Details | Score | PO Value            | PO #    | Comments |
|--|------------------------------|-------|---------------------|---------|----------|
| Petroleum Traders Corporation              | Diverse<br>(Veteran Owned)   | 65    | \$14,000,000        | 3073865 |          |
| Mansfield Oil Company of Gainesville, Inc. |                              | 58    | \$6,000,000         | 3073772 |          |
| <b>TOTAL</b>                               |                              |       | <b>\$20,000,000</b> |         |          |

One (1) additional respondent was not recommended for award: Sunoco LP.

**Annual Funds Budgeted**

| Corporate Annual Budget | Funding Method | Projected FY2024 PO Spend | % of FY2024 Annual Corp Budget | Projected FY2025 PO Spend | Projected FY2026 PO Spend | Projected FY2027 PO Spend |
|-------------------------|----------------|---------------------------|--------------------------------|---------------------------|---------------------------|---------------------------|
| \$940,520,261           | Capital        | \$0                       | 0%                             | \$0                       | \$0                       | \$0                       |
| \$773,000,000           | Non-Fuel O&M   | \$3,300,000               | 0.43%                          | \$6,700,000               | \$6,700,000               | \$3,300,000               |

Our current approved budget and latest estimates support these new purchase orders.

**Procurement Item: Commodity & Material Goods**

