



# City of Grand Island

Tuesday, July 26, 2022

Council Session

## Item G-4

**#2022-181 - Approving to Award the Market Participant Contract to NextEra**

Staff Contact: Tim Luchsinger, Stacy Nonhof

# **Council Agenda Memo**

**From:** Timothy Luchsinger, Utilities Director  
Stacy Nonhof, Interim City Attorney

**Meeting:** July 26, 2022

**Subject:** Approving to award the Market Participant Contract to NextEra Energy

**Presenter(s):** Timothy Luchsinger, Utilities Director

## **Background**

Grand Island transacts its energy and transmission purchases via the integrated marketplace which is run by the Southwest Power Pool. Since 2012, Grand Island has utilized the same marketing agent for settlement services, day ahead and real time functions, ARR/TCR services, capacity and energy transactions, and market regulatory guidance. Recently, the Utility requested proposals for this service in order to let competitive offers modernize its fee structure for these functions.

## **Discussion**

The Request for Proposals was advertised on Wednesday, March 2, 2022, and three (3) proposals were received on Thursday, May 26<sup>th</sup>, 2022, from the following vendors:

Tenaska Power Services – Irving, TX  
Eversource, Inc. – Allen, TX  
NextEra Energy – Juno Beach, FL

Using a matrix of the Utility Department’s established evaluation criteria, which included Proposal Responsiveness, Company Experience, Personnel Experience, Commercial Terms, and Fees, the proposals were reviewed by Utility staff. The evaluation favored the proposal of NextEra Energy. The Department recommends that NextEra Energy is the best proposal for the Market Participant Contract.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

### **Recommendation**

City Administration recommends that the Council award the Market Participant Contract to NextEra Energy of Juno Beach, FL.

### **Sample Motion**

Move to approve the proposal from NextEra Energy for Market Participant services.



Stacy Nonhof, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL  
FOR  
MARKET PARTICIPANT SERVICES**

**RFP DUE DATE:** May 26, 2022 at 4:00 p.m.  
**DEPARTMENT:** Utilities  
**PUBLICATION DATE:** March 2, 2022  
**NO. POTENTIAL BIDDERS:** 8

**PROPOSALS RECEIVED**

**Tenaska Power Services Co.**  
Irving, TX

**Evergy, Inc.**  
Allen, TX

**NextEra Energy**  
Juno Beach, FL

cc: Tim Luchsinger, Utilities Director  
Jerry Janulewicz, City Administrator  
Stacy Nonhof, Purchasing Agent

Ryan Schmitz, Assist. Utility Director  
Patrick Brown, Finance Director  
Christy Lesher, Utility Secretary

**P2361**

## CONTRACT AGREEMENT

THIS AGREEMENT made and entered into by and between **NEXTERA ENERGY MARKETING, LLC** hereinafter called the Contractor, and the **CITY OF GRAND ISLAND, NEBRASKA**, hereinafter called the City.

WITNESSETH:

THAT, WHEREAS, in accordance with law, the City has caused contract documents to be prepared and an advertisement calling for proposals to be published for *MARKET PARTICIPANT SERVICES* and

WHEREAS, the City, in the manner prescribed by law, has evaluated the proposals submitted, and has determined the aforesaid Contractor to be the responsible proposer, and has duly awarded to the said Contractor a contract therefore, for the sum or sums named in the Contractor's proposal, portions thereof being attached to and made a part of this contract.

NOW, THEREFORE, in consideration of the compensation to be paid to the Contractor and of the mutual agreements herein contained, the parties have agreed and hereby agree, the City for itself and its successors, and the Contractor for itself, him/herself, or themselves, and its, his, or their successors, as follows:

ARTICLE I. That the following documents shall comprise the Contract, and shall together be referred to as the "Agreement" or the "Contract Documents";

1. This Contract Agreement.
2. Energy Management Services Agreement

In the event of any conflict between the terms of the Contract Documents, the provisions of the document first listed shall prevail.

ARTICLE II. That the Contractor shall (a) furnish all tools, equipment, superintendence, transportation, and other construction materials, services and facilities; (b) provide and perform all necessary labor; and (c) in a good substantial and workmanlike manner and in accordance with the requirements, stipulations, provisions, and conditions of the contract documents as listed in the attached General Specifications, said documents forming the contract and being as fully a part thereof as if repeated verbatim herein, perform, execute, construct and complete all work included in and covered by the City's official award of this contract to the said Contractor, such award being based on the acceptance by the City of the Contractor's proposal;

ARTICLE III. The proposed pricing will commence as soon as possible after Contract execution, **and that the Contract shall run through November 30, 2025. After expiration of the Initial Term, unless either Party has given the other Party written notice, at least sixty (60) days prior to the expiration of the Initial Term, that it does not wish to renew this Agreement at the end of the Initial Term, this Agreement shall automatically renew for successive one year terms**

ARTICLE IV. The Contractor hereby agrees to act as agent for the City. The invoice for contractor's services will be paid after approval at the next regularly scheduled City Council meeting and occurring after departmental approval of invoice. The City Council typically meets the second and fourth Wednesday of each month. Invoices must be received well in advance of Council date to allow evaluation and processing time.

ARTICLE V. The Contractor agrees to comply with all applicable State fair labor standards in the execution of this contract as required by Section 73-102, R.R.S. 1943. The Contractor further agrees to comply with the provisions of Section 48-657, R.R.S. 1943, pertaining to contributions to the Unemployment Compensation Fund of the State of Nebraska. During the performance of this contract, the Contractor and all subcontractors agree not to discriminate in hiring or any other employment practice on the basis, of race, color, religion, sex, national origin, age or disability. The Contractor agrees to comply with all applicable Local, State and Federal rules and regulations. The Contractor agrees to maintain a drug-free workplace policy and will provide a copy of the policy to the City upon request. Every public contractor and his, her or its subcontractors who are awarded a contract by the City for the physical performance of services within the State of Nebraska shall register with and use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska.

#### GRATUITIES AND KICKBACKS

City Code states that it is unethical for any person to offer, give, or agree to give any City employee or former City employee, or for any City employee or former City employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor. It shall be unethical for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract

to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

**NEXTERA ENERGY MARKETING, LLC**

By \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_

**CITY OF GRAND ISLAND, NEBRASKA**

By \_\_\_\_\_ Date \_\_\_\_\_

Mayor

Attest: \_\_\_\_\_

City Clerk

The contract is in due form according to law and hereby approved.

\_\_\_\_\_ Date \_\_\_\_\_

Attorney for the City

RESOLUTION 2022-181

WHEREAS, the Utility Department requested proposals for a marketing agent for settlement services, day ahead and real time function, ARR/TCR services, capacity and energy transactions and market regulatory guidance; and

WHEREAS, on May 26, 2022 proposals were received; and

WHEREAS, NextEra Energy, of Juno Beach, Florida, submitted a proposal that was favored by the Utility Department based on established evaluation criteria.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal for Market Participant services from NextEra Energy, of Juno Beach, Florida, be approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, July 12, 2022.

\_\_\_\_\_  
Roger G. Steele, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form    ✕ \_\_\_\_\_  
July 22, 2022            ✕ City Attorney