

CPS ENERGY
MINUTES OF REGULAR MEETING OF THE BOARD OF TRUSTEES
HELD ON APRIL 27, 2020

The Regular Meeting of the Board of Trustees of CPS Energy for the month of April was held on Monday, April 27, 2020 by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19). There was no in-person public access to the meeting. Chair John Steen called the meeting to order at 1:00 p.m.

Present via phone were Board members:

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

Also present via phone were:

Ms. Paula Gold-Williams, President & CEO
 Dr. Cris Eugster, Chief Operating Officer
 Ms. Carolyn Shellman, Chief Legal Officer & General Counsel and Board Secretary
 Mr. Fred Bonewell, Chief Security, Safety & Gas Operations Officer
 Ms. Felecia Etheridge, Chief, Business Excellence
 Ms. Vivian Bouet, Chief Information Officer
 Mr. Frank Almaraz, Chief Administrative & Business Development Officer
 Mr. Rudy Garza, Interim Chief Customer Engagement Officer

CPS Energy Staff Members
 City of San Antonio officials
 Interested Citizens

I. ROLL CALL OF BOARD MEMBERS

Ms. Shellman called the roll. A quorum was present.

II. SAFETY MESSAGE

In response to the Chair’s request, Mayor Nirenberg provided an update on the COVID-19 health statistics and local response efforts, including the City’s plans for resuming activities and reopening businesses in accordance with Governor Greg Abbott’s ongoing plan to open Texas. He expressed his appreciation to CPS Energy for its support and partnership in providing essential services and community assistance programs.

Ms. Gold-Williams thanked the Board and the Mayor for their support of the collaborative outreach efforts between SAWS and VIA.

III. INVOCATION

An invocation was delivered by Ms. Zandra Pulis, Deputy General Counsel & Chief Records Management.

IV. PUBLIC COMMENT

No members of the public registered to speak. Chair Steen reminded the public of various ways besides meeting attendance to provide public comments to the Board.

V. CEO'S REPORT

Ms. Gold-Williams began by thanking Mayor Nirenberg, Judge Nelson Wolff and elected officials for their leadership.

Ms. Gold-Williams provided information about CPS Energy's ongoing operational activities during the COVID-19 pandemic. She noted that we will continue deployment of our segmented teams (blue, white and orange) for an additional 30 days as we monitor the Governor's plan to reopen Texas.

She outlined the practices that will be required of employees, specifically with regard to workplace health and responsible re-entry to the workplace. We will also continue to utilize information technology as part of our communications with staff, customers and community.

Ms. Gold-Williams mentioned that disconnect suspensions will continue for a minimum of 30 days after the community has been reopened. She encouraged customers to call and arrange payment options to avoid disconnection once the moratorium ends.

She mentioned that CPS Energy is working on new options designed to meet evolving customer needs.

She discussed the Residential Energy Assistance Program (REAP) program, a partnership between CoSA, Bexar County (County) and CPS Energy. CoSA and the County administer REAP. REAP is funded by an annual contribution of \$1 million from CPS Energy, as well as contributions by customers and fundraising activities.

Construction at our new headquarters is progressing within budget. Currently, we anticipate a 2-week delay in the move schedule.

Ms. Gold-Williams informed the Board about upcoming meetings with the credit rating agencies.

She mentioned that progress on the Rate Advisory Committee (RAC) has been impacted by the COVID-19 pandemic. CPS Energy is evaluating responses received to its request for proposals (RFP). Ms. Gold-Williams provided context and insights to certain items on the meeting agenda, particularly the items requiring Board approval.

She previewed the FY2021 Preliminary COVID-19 Financial Impacts (item 7A). The purpose of this information, is to provide revenue projections affected by COVID-19.

She previewed the Vehicle Procurement Contract (item 7B), noting that the purchase of new bucket trucks provides some benefit to our capital assets, including savings in maintenance costs for the aging fleet that will be replaced.

Regarding the Resolution to Waive Late Fees (item 9), Ms. Gold-Williams reminded the Board that in response to the economic pressures caused by the COVID-19 pandemic, CPS Energy quickly suspended disconnects for customers on payment plans. The Board is being asked to ratify the waiver of late fees which represent less than 1 percent of our total revenues. We will seek City Council approval of this matter at a later time.

Ms. Gold-Williams also previewed the appointments to the Citizens Advisory Committee (CAC) (item 10) and the audit of financial statements (item 11).

VI. ADDITIONAL UPDATES

FY2021 Preliminary COVID-19 Financial Impacts

Mr. Gary Gold, Vice President, Corporate Services & Assistant Treasurer, presented the FY2021 Preliminary COVID-19 Financial Impacts to the Board. Because of the uncertainty related to the full impact of COVID-19, these projections were noted to be preliminary and subject to change.

Mr. Gold noted that the financial metrics are compared with the approved budget assuming Medium Impact and High Impact scenarios and explained the results underlying this preliminary forecast.

Mr. Gold explained that the \$3.9 million Board approved budget net income is currently projected to be (\$64.8) million in the Medium Impact scenario, lower than originally budgeted due to COVID-19. Total retail sales are projected to be 6 percent lower due to a decrease in Commercial and Industrial sales volumes, partially offset by an increase in Residential sales volumes as a result of the Stay Home Work Safe orders. Bad debt is assumed to increase to \$28 million, \$20 million higher than budgeted. Bad debt as a percent of revenues is projected to be 50 percent greater than the recession level of 2008. Wholesale revenue net fuel projections were reduced from the budget of \$90 million to \$40 million in the Medium Impact scenario due to an assumed reduced ERCOT-wide demand.

Mr. Gold noted that O&M reflects identified cost savings such as suspended employee incentive pay, the reduction to budgeted labor costs associated with the hiring freeze and unfilled positions, and the deferral of projects. Interest and debt-related costs reflects projected financing savings throughout the year. He stated that we currently project lower revenues than planned, partially offset by a combination of O&M expenses and savings from interest and debt-related.

From the Flow of Funds, the Remaining Repair and Replacement (R&R) fund addition in the Medium Impact scenario is projected at \$31.4 million, lower than the budgeted amount of \$92.0 million. He also highlighted the Remaining R&R addition in the High Impact scenario is estimated at zero due to slightly lower overall sales performance compared to the Medium Impact scenario.

Turning to the key financial metrics, the forecasted Adjusted Debt Service Coverage (ADSC) is 1.45x for the Medium Impact scenario, lower than the accountability plan threshold of 1.50x for the year and the budget of 1.60x. Days Cash on Hand for the Medium Impact scenario is projected at 150, comparable to the

threshold but below the FY2021 budget of 161. Debt Capitalization ratio is projected to be 61.0 percent in the Medium Impact scenario, up from the FY2020 year-end actual result of 59.9 percent. The projection of 61.0 percent is favorable to the budget and accountability plan threshold of 61.7 percent, due to reductions and delays in assumed debt issuances.

Mr. Gold noted that management will continue to look for additional opportunities to improve financial results, monitor the COVID-19 landscape and impact on load forecasts, and provide regular updates.

Vehicle Procurement Contract

Mr. Bonewell introduced Mr. Bert Hargesheimer, Senior Director, Fleet Operations Safety, to provide information related to the commodity and goods procurement item on the Consent Agenda.

Mr. Hargesheimer stated that CPS Energy's existing fleet consists of 2,476 vehicles and equipment, 230 of which are bucket trucks. This procurement is for 90 55-foot bucket trucks over 5 years. These trucks will enhance our fleet's reliability and safety and be more environmentally friendly. He introduced Mr. Brian T. Mills, Journeyman Lineman, who supported the proposed procurement, noting that the new bucket trucks will provide additional functionalities and enhanced safety features.

Mr. Hargesheimer highlighted specifications of the bucket trucks, including increased truck stability; improved bucket access, and an auxiliary power unit which powers the aerial bucket while the vehicle is turned off, thus reducing idle.

Mr. Hargesheimer discussed fleet electrification. He stated that the Electric Power Research Institute (EPRI) estimates the production of electric bucket trucks to develop and mature over the next decade. We work with the Strategic, Research and Innovation team so that solutions can be implemented to integrate our existing fleet as part of that evolution, as well as benefit from those solutions.

In response to an inquiry by Trustee Kelley, Mr. Hargesheimer clarified that the proposed procurement entails purchasing approximately 20 percent or 18 trucks each year for 5 years. That timing allows us to prepare crew members as decommissioned vehicles start to retire.

Responding to Chair Steen, Mr. Hargesheimer clarified that EPRI estimates that electric bucket trucks will not in full production until 2030.

Chair Steen inquired about how the environmental benefits of the new bucket trucks. Mr. Hargesheimer explained that the auxiliary power unit that powers the bucket enables reduced idling of the main engine.

Other

No other updates were provided.

VII. APPROVAL OF CONSENT ITEMS:

On motion duly made by Dr. Mackey, seconded by Trustee Kelley. Ms. Shellman called the roll and upon affirmative vote by all members present, the following items on the Consent Agenda were unanimously approved.

Approval of Minutes

Minutes of the Regular Board Meeting for the month of February held on March 2, 2020, and the Minutes of the Regular Board Meeting held on March 30, 2020 were approved as submitted.

Approval of Payment to the City of San Antonio for March 2020

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 March 2020 is based on actual gross revenue per the New Series Bond Ordinance of \$156,108,988.93, less applicable exclusions. In accordance with the New Series Bond Ordinance, current month revenue was insufficient to meet the total 6% requirement to the Repair and Replacement account and the City Payment by \$22,476,977.14. Under the previously approved agreement with the City, CPS Energy will advance to the City \$22,357,622.38 against future months' revenues for fiscal year 2021. The revenue for the month of March 2020 is calculated as follows:

Gross revenue per CPS Energy financial statements	
Electric revenue	\$166,542,721.00
Gas revenue	9,739,171.43
Interest and other income	3,337,914.72
Gross revenue per CPS Energy financial statements	<u>179,619,807.15</u>
Excluded revenue	
School and hospital revenue per City Ordinance 55022	(5,308,010.05)
LVG revenue per City Ordinance 100709	0.00
Fuel cost component of off-system nonfirm energy sales per City Ordinance 61794 and revenue for wholesale special contracts	(9,308,773.88)
Noncash and other income, GASB 31 investment market value change, miscellaneous Interest income, gas billing adjustment and unbilled revenue	<u>(8,894,034.29)</u>
Total excluded revenue	<u>(23,510,818.22)</u>
Gross revenue per New Series Bond Ordinance subject to 14% payment to the City	<u><u>\$156,108,988.93</u></u>

City payment per Bond Ordinance for March 2020 based upon March 2020 revenue	\$21,855,258.45	
City payment per memorandum of understanding (MOU) regarding wholesale special contracts	514,863.93	
Wholesale Special Contract Annual True Up	0.00	
City Payment reduction per gas customer billing adjustment MOU	(12,500.00)	
City payment per Bond Ordinance plus adjustments for memorandums of understanding	22,357,622.38	A
Utility services provided to the City for March 2020	(2,354,242.80)	
Net amount to be paid from March 2020 revenue to the City in April 2020	<u>\$20,003,379.58</u>	

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)

March 2020	Actual	Budget	Variance	
Current Month* A	\$22,358	\$24,074	(\$1,716)	-7.1%
Year-to-Date*	\$45,332	\$49,591	(\$4,259)	-8.6%

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

Approval of the following resolution is requested:

"BE IT RESOLVED by the CPS Energy Board of Trustees that payment to the City of San Antonio in the amount of \$20,003,379.58 representing 14% of applicable system gross revenues for the month of March 2020, such payment being net of City utility services (\$2,354,242.80), and including the current month deficiency, is hereby approved." The total amount to be recovered from future months' revenues for fiscal year 2021 is \$33,001,936.57, inclusive of \$119,354.76 necessary to satisfy the 6% Repair and Replacement requirement year-to-date and \$32,882,581.81 advanced to the City.

Approval of Procurement Items – April

Two (2) Non-Competitively Sensitive Items

Purchase Category: General Services
Supplier: Mastec North America, Inc.
Supplier: Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller
Supplier: Mears Installation LLA

Purchase Category: Commodity and Material Goods
Supplier: Terex Utilities Inc

*Attached are the listed Procurement Items.

VIII. RESOLUTION TO WAIVE LATE FEES (Ratify)

Ms. Gold-Williams reminded the Board that in response to the COVID-19 pandemic, disconnects and late fees have been suspended for customers that have established payment plans. Because the current period of COVID-19 impact is considerably longer than other periods during which CPS Energy normally suspends disconnects and late fees, the Board is being asked to ratify the waiver of late payments. We continue to work with customers on paying their bills and promote programs established to help them. Ms. Gold-Williams noted that waiving late fees does not result in a significant financial impact.

At Chair Steen's request, Ms. Shellman read the following proposed resolution:

RESOLUTION RATIFYING WAIVER OF LATE PAYMENT FEES

WHEREAS, in consideration of the challenges facing our community caused by COVID-19 and the economic pressures that are related to the on-going and evolving shelter at home and social distancing community directives, CPS Energy quickly announced publicly a helpful plan to temporarily suspend its process of disconnecting the electric and gas services of customers who cannot pay all or part of their utility bills; and

WHEREAS, CPS Energy has historically suspended disconnects for short and definitive periods of time during the peak of the summer and the December holidays to help its customers; and

WHEREAS, CPS Energy has an established payment plan program that is offered to customers who need additional time and installments to pay their bills; and

WHEREAS, as a whole, CPS Energy's customers typically have a proven history of paying their monthly bills, resulting each year in a very low level of write offs / uncollectible balances, which in turn lowers operating costs and keeps everyone's bills affordable; and

WHEREAS, pursuant to CPS Energy's tariffs and its terms and conditions of service, late payment fees are customarily applied to customer account balances that are not paid in full at the end of each billing cycle; and

WHEREAS, CPS Energy routinely collects approximately \$7.5 million annually through late payment fees, but is willing to forego new late fee charges, in part, to assist customers who cannot pay their current bills on a timely basis due to economic distress and business disruption caused by COVID-19; and

WHEREAS, CPS Energy is currently asking customers needing payment assistance to call for information about helpful payment plans at (210) 353-2222 to avoid interruption of their critical utility services when the disconnection suspension period ends; and

WHEREAS, to ensure its updated processes are formalized and well-documented, CPS Energy requests ratification from the Board of Trustees for the waiver of late fees, as contained in current CPS Energy tariffs, conditioned upon each customer establishing a payment plan and making timely payments on it during the disconnection suspension period that is currently in place as a result of the COVID-19 pandemic.

NOW, THEREFORE, BE IT RESOLVED, that the CPS Energy Board of Trustees hereby confirms and ratifies the waiver of late fees as contained in current CPS Energy tariffs for customers who make timely payments as part of a payment plan established during the period of suspended disconnects that is currently in place due to the COVID-19 pandemic. The late fee requirements of the tariffs will be reinstated automatically when the disconnect suspension period ends, as declared by CPS Energy's President & CEO or her designee, or when the Board takes further action on this matter.

Mayor Nirenberg moved and Trustee Gonzalez seconded a motion to approve the proposed resolution.

Trustee Kelley commented positively about our accounts receivable, highlighting that those aged 90 to more than 271 days, representing \$6 million to \$8 million, have not materially increased. Accounts receivable are significant because they comprise about \$150 million of our balance sheet. He thanked the staff managing accounts receivable well.

Upon affirmative vote by all members present, the resolution as read by Ms. Shellman was unanimously approved.

IX. APPOINTMENT(S) TO THE CITIZENS ADVISORY COMMITTEE

Mr. John Leal, Director, Local Government Relations, informed the Board that two candidates are being recommended for appointment to the CAC. Both candidates submitted prepared statements and attended the meeting via the one-way (listen-only) phone line.

Mr. Leal recapped the history and purpose of the CAC and described the duties and activities of its members. He noted that CAC members may serve a maximum of 3 consecutive two-year terms. CAC members are nominated by City Councilmembers or members of the public. They may also self-nominate. The CPS Energy Board approves nominees. Mr. Leal identified the 10 Council-appointed CAC members, noting that the CAC member representing District 7 still serves as needed though his term has expired. Mr. Leal also identified the 5 at-large appointees. He highlighted the 3 executive committee members: Mr. David Walter, Chair; Ms. Luisa Casso, Chair Elect; and Mr. Bill Day, Vice Chair.

The first candidate, Ms. Raquel Zapata, is nominated by District 6 Councilmember Melissa Cabello-Havrda. Ms. Zapata is a Senior Program Manager, Business Development at DAWSON. She is the Past President of Great Hearts, Monte Vista, and is currently active with the San Antonio Police Department Civilian Advisory Review Board and Bridging Whole Health.

The second candidate, Mr. John Kelly, is nominated by District 8 Councilmember Manny Pelaez. Mr. Kelly is a former engineer with the Texas Department of Transportation. Currently retired, Mr. Kelly has previously consulted for AECOM and CH2M (n/k/a Jacobs). He serves as President of the Crownridge of Texas Owners Association.

Mr. Leal read the prepared statements by each of the nominees.

Trustee Kelley moved, and Trustee Gonzalez seconded a motion to approve Ms. Zapata and Mr. Kelly as members of the CAC.

Trustee Kelley positively commented on the strong experience of CAC members, as well as the two nominees, Ms. Zapata and Mr. Kelly. He reiterated his position that, based on the strength of the CAC, there is not a need for additional committees to study CPS Energy issues.

Upon affirmative vote by all members present, the Board unanimously approved the appointments of Ms. Zapata and Mr. Kelly to the CAC.

X. ACCEPTANCE OF ANNUAL AUDITED FINANCIAL STATEMENTS

Mr. Gold introduced and invited Ms. Jodi Dobson, CPA and Partner, Baker Tilly Virchow Krause, LLP (Baker Tilly), to present the Fiscal Year 2020 Financial Audit report.

Ms. Dobson provided an overview of the audit performed. Despite CPS Energy being a large, complex organization, the audit went smoothly. Management and staff were cooperative and readily available, the audit schedule was maintained, and internal audit support was timely and helpful. The audit comprised 2800 hours, starting in the fall. Fieldwork was performed in March, both onsite and remotely due to the COVID-19 pandemic. The reporting phase started in April.

The audit was performed in accordance with Generally Accepted Auditing Standards and based on an assessment of control risk in key business process areas. Ms. Dobson highlighted pension and other post-employment benefits (OPEB) fund and liabilities, noting a new reporting standard that was implemented this year. The audit objective is to obtain reasonable assurance that financial statements are free from material misstatements. CPS Energy received an unmodified or clean opinion for the fiscal year ended January 31, 2020.

Turning to internal control communications, Ms. Dobson noted that no material weaknesses or significant deficiencies in internal controls were identified. She stated that a management discussion item related to ongoing improvement opportunities to continue the enhancement of controls over information technology was identified and that CPS Energy has already responded to the item.

Ms. Dobson communicated about the following topics:

- Auditors' responsibility under Generally Accepted Accounting Standards
- Planned scope and timing of the audit
- Accounting estimates
- Other information in documents containing audited financial statements
- Accounting policies
- Financial Statement disclosures
- Difficulties encountered in performing the audit
- Consultations with other independent accountants
- Auditor independence
- Corrected and uncorrected misstatements
- Disagreements with management
- Management representations
- Other audit findings or issues

Chair Steen asked Ms. Dobson to speak about any challenges the audit team encountered because of COVID-19. Ms. Dobson noted that the team typically works onsite for the entire month of March, but midway through, they returned home as a health precaution. The team leveraged electronic communications to conduct the remainder of the audit remotely, as well as adjusted its communication cadence to frequently ensure alignment.

Upon motion duly made by Dr. Mackey, seconded by Mayor Nirenberg, and upon affirmative vote by all members present, the annual audited financial statements were accepted.

XI. COMMITTEE REPORTS

Chair Steen noted that in an effort to streamline the meeting being held by telephonic means, committee chairs are given the option to submit their committee report for the record instead of reading them at this time. Chair Steen also confirmed that the committee reports were posted with the public notice of this meeting.

Operations Oversight Committee (OOC) Meeting and OOC & T&I Aligned Risk Sub-Committee Meeting

Dr. Mackey, Chair of the OOC, stated that reports of the OOC and the OOC & T&I Aligned Risk Subcommittee meetings which took place on February 20, 2020 were posted with the public notice of this meeting and will be attached to the minutes for this Board meeting.

Technology & Innovation (T&I) Committee Meeting

Trustee Gonzalez, Chair of the T&I Committee, stated that a report of the T&I Committee meeting which took place on February 20, 2020 was posted with the public notice of this meeting and will be attached to the minutes for this Board meeting.

Personnel Committee Meeting

Trustee Kelley, Chair of the Personnel Committee, stated that a report of the Personnel Committee meeting which took place on April 17, 2020 was posted with the public notice of this meeting and will be attached to the minutes for this Board meeting.

XII. EXECUTIVE SESSION

At approximately 2:27 p.m., Chair Steen 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 the following posted items:

- Attorney-Client Matters (§551.071)

Mayor Nirenberg left the meeting before the open session resumed.

The Board reconvened in open session at 3:53 p.m. Ms. Shellman reported that only Attorney-Client Matters, and no others, were discussed and no votes were taken in Executive Session.

XIII. ADJOURNMENT

There being no further business to come before the Board and upon a motion duly made by Trustee Gonzalez, seconded by Trustee Kelley, and upon an affirmative vote by all members present, the meeting was unanimously adjourned at 3:56 p.m. by Chair Steen.

Carolyn E. Shellman

Carolyn E. Shellman
Secretary of the Board




CPS Energy Board of Trustees Meeting
April 27, 2020
APPROVAL of PROCUREMENT ITEMS
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Two (2) Non-Competitive Sensitive Items

- 1. **Purchase Category:** General Services
Supplier: Mastec North America, Inc.
Supplier: Wampole-Miller, Inc. dba Miller
Supplier: Bros Division of Wampole-Miller,
Mears Installation LLC

- 2. **Purchase Category:** Commodity and Material Goods
Supplier: Terex Utilities Inc

Approval: 
Paula Gold-Williams, President & CEO



CPS Energy Board of Trustees Meeting
April 27, 2020
PROCUREMENT FORM 1

Department	Energy Delivery Services
Division	Customer Construction
Purchase Order Value	\$50,000,000
Purchase Category	General Services
Senior VP Energy Delivery Services	Paul Barham
Chief Operating Officer	Cristopher Eugster

Recommended Supplier(s)						
Supplier Name	PO Term	Projected PO Value	%	PO #	SBA Classification	Comments (If applicable)
Mastec North America, Inc.	36 Months	\$ 18,000,000	36%	2189740	Local / Diverse	Male Owned, Large Hispanic, Local
Wampole-Miller, Inc. dba Miller Bros Division of Wampole-Miller, Inc.	36 Months	\$ 16,000,000	32%	2189742	Local / Non-Diverse	Male Owned, Large Non-Minority, Local
Mears Installation LLC	36 Months	\$ 16,000,000	32%	2189741	Local / Non-Diverse	Male Owned, Large Non-Minority, Local

Project Description

The electric & gas infrastructure installation services contract is for the installation of new electric and gas facilities being installed for new residential subdivision communities and new multi-family communities within the CPS Energy service boundaries. This scope of work has been labeled as a "Turnkey Process" where the projects are 100% completed by CPS Energy contract vendors within the standards set by CPS Energy. This process has been in place for three (3) years with great success and has increased efficiencies with our community development partners. This contract was competitively bid through the procurement process and the three (3) companies above were awarded accordingly.

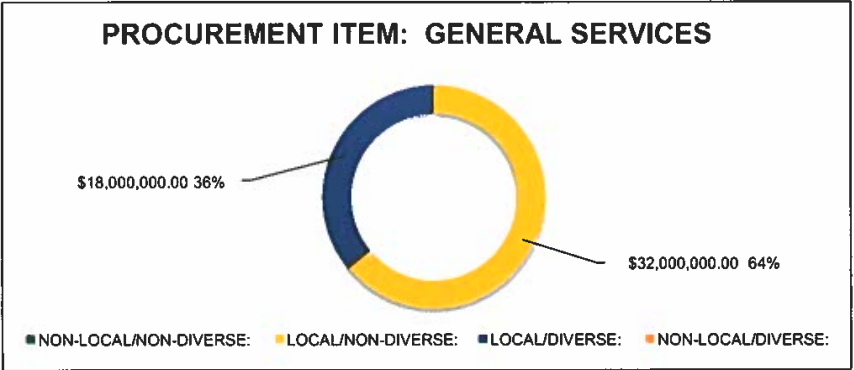
Value Proposition & Summary

CPS Energy will have the resources needed to perform services to address the growth of new electric and gas utilities in new subdivisions and multi-family projects. These services will sustain CPS Energy's financial viability by meeting customer demand which increases our customer base.

Annual Funds Budgeted				
FY	Corporate Annual Budget	Funding Method	Annual PO Average Spend	% Of Annual Corp Budget
21	\$684,100,000	Capital	\$16,600,000	2.43%
21	\$712,800,000	O&M	\$0	0.00%

Competitive Information: YES NO Collective #: 7000157504
If yes, reason
This procurement item is not competitively sensitive; therefore, there are no restrictions on disclosure to the public.

PROCUREMENT ITEM: GENERAL SERVICES	
NON-LOCAL/NON-DIVERSE:	\$ -
LOCAL/NON-DIVERSE:	\$ 32,000,000.00
LOCAL/DIVERSE:	\$ 18,000,000.00
NON-LOCAL/DIVERSE:	\$ -
	\$ 50,000,000.00





CPS Energy Board of Trustees Meeting
April 27, 2020
PROCUREMENT FORM 2

Department	Fleet Operations & Safety
Division	Fleet Asset Management
Purchase Order Value	\$30,000,000
Purchase Category	Commodity & Material Goods
Sr Dir Fleet Operations Safety	Bert Hargesheimer
Chief Security Safety & Gas Solns Officer	Fred Bonewell

Recommended Supplier(s)						
Supplier Name	PO Term	Projected PO Value	%	PO #	SBA Classification	Comments (If applicable)
Terex Utilities Inc	60 Months	\$ 30,000,000	100%	2189050	Local / Non-Diverse	Male Owned, Large Non-Minority, Local

Project Description

This contract is for the purchase of approximately 90, 55-foot bucket trucks to support CPS Energy Electric Operations.

Value Proposition & Summary

This contract will provide our employees with the vehicles necessary to repair and maintain powerlines that provide electricity to our community. The specifications for these trucks have been completed with safety in the forefront. With this contract in place, CPS Energy will be more strategic on replacement of this vehicle class. The specifications include an auxiliary power unit which powers the aerial bucket while the vehicle is turned off, thus reducing the environmental impact.

Annual Funds Budgeted				
FY	Corporate Annual Budget	Funding Method	Annual PO Average Spend	% Of Annual Corp Budget
21	\$684,100,000	Capital	\$6,000,000	0.88%
21	\$712,800,000	O&M	\$0	0.00%

Competitive Information: YES NO Collective #: 7000151983

If yes, reason

This procurement item is not competitively sensitive; therefore, there are no restrictions on disclosure to the public.

PROCUREMENT ITEM: COMMODITY AND MATERIAL GOODS	
NON-LOCAL/NON-DIVERSE:	\$ -
LOCAL/NON-DIVERSE:	\$ 30,000,000.00
LOCAL/DIVERSE:	\$ -
NON-LOCAL/DIVERSE:	\$ -
	\$ 30,000,000.00

