

City Council Agenda Summary Sheet (Purchases)

Agenda No: Purchase - Electric Energy
Date: January 20, 2004
Prepared By: Bob Srogi, Facilities Operations Manager
City File No:

Meeting Date: February 4, 2004

PURPOSE:

City Council authorization of the purchase and delivery of electric energy for City facilities from DTE Energy, Detroit, Michigan and Michigan Municipal Risk Management Authority, Livonia, Michigan in the amount not-to-exceed \$390,950 through December 31, 2004.

DISCUSSION:

It is the goal of the Facilities Division to offset the ever-rising energy costs incurred by City facilities. As a member of the Michigan Municipal Risk Management Association (MMRMA) Electric Choice Program, the City participated in a joint community purchase for electrical power. The City will purchase its electrical energy for City Hall, Public Safety Building and the DPS Garage through the program from Quest Energy, Ann Arbor, Michigan. The delivery of electricity will continue to be provided by DTE Energy. The projected savings for electric energy for these three large facilities is estimated at 18% or up to \$30,000. MMRMA will impose a \$.006 per kilowatt hour administration fee.

The smaller City facilities will not benefit from the cost savings of the larger buildings and will continue to receive electrical energy and its delivery from DTE Energy.

The estimate for electrical energy consumption by City facilities, including the addition to City Hall is \$390,950. Due to participation in the MMRMA Electric Choice Program, payment for electrical energy and delivery will be made to MMRMA and DTE Energy.

FISCAL INFORMATION:

Fund Name	Fund Account #	Description	Budget Amount	Cost	Remaining Budget
Facilities Division	631.923000	Electric Utility	\$390,950	\$390,950	0

Vendor Name and Address:

DTE Energy
PO Box 2859
Detroit, MI 48260

Michigan Municipal Risk Management Authority
14001 Merriman
Livonia MI 48154

Reason for Selection:

Best Value

Method of Purchase:

Blanket Purchase Order through December 31, 2004

RECOMMENDATION:

It is recommended that City County authorize the purchase and delivery of electric energy for City facilities from DTE Energy, Detroit, Michigan and Michigan Municipal Risk Management Authority, Livonia, Michigan in the amount not-to-exceed \$390,950 through December 31, 2004.

ATTACHMENTS:

Department Authorization: Roger Rouse, Director of Public Service

Reviewed by:

Fiscal: *Jean Farris*

Clerks: *Susan Koliba-Galeczka*

Approved by: *Pat Somerville*

RESOLUTION

NEXT AGENDA ITEM

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