

City Council Agenda Summary Sheet (Purchases)

Agenda No: 2004-1236
Date: December 7, 2004
Prepared By: Bob Srogi, Facilities Operations Manager
City File No:

Meeting Date: December 15, 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 \$359,640 through December 31, 2005.

DISCUSSION:

It is the goal of the Facilities Division to offset the ever-rising energy costs incurred by the City facilities. As a member of the Michigan Municipal Risk Management Association (MMRMA) Electric Choice Program, the City participates in a joint community purchase for electrical power. The City purchases 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 the electricity for these buildings continues to be provided by DTE Energy. Last year's savings for electric energy for these three large facilities was \$7,000. MMRMA imposes a \$.006 per kilowatt hour administration fee. The State has recently approved an administrative increase for DTE services relative to Electric Choice accounts. The Facilities Division will continue to monitor the benefits of the program.

The smaller City facilities do 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 is \$359,640. 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	631.923000	Electric Utility	\$359,640	\$359,640	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, 2005

RECOMMENDATION:

It is recommended that City Council 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 \$359,640 through December 31, 2005.

ATTACHMENTS:

Department Authorization: Roger Rouse, Director of Department of Public Service

Reviewed by:

Fiscal: *Julie Jenuwine*

Purchasing: *Jean Farris*

Clerks: *Susan Koliba-Galeczka*

Approved by: *Pat Somerville*

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA