



**City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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www.rochesterhills.org**

Legislative File No: 2006-0800 Version 4

TO: Mayor and City Council Members
FROM: Bob Srogi, Facilities Operations Manager
DATE: January 25, 2008
SUBJECT: Electric Energy for City Facilities

REQUEST:

City Council authorization to increase the blanket purchase order for 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 of \$21,870 (actual invoices from DTE and MMRMA) for a new blanket purchase order not-to-exceed amount of \$410,340.

REASON FOR PURCHASE:

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 electric energy for City Hall, Public Safety Building and the DPS Garage through the program from an alternate electricity supplier. 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.

This is a request to increase the 2007 blanket purchase order for electrical utilities by \$21,870 to \$410,340 while the ending 2007 budget is estimated at \$342,389. The difference between the 2007 blanket purchase order and the budget is the blanket was charged for 14 months of utility costs while the budget is established for 12-month period.

PROCESS:

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

BUDGET:

This is a request to increase the 2007 blanket purchase order for electrical utilities by \$21,870 to \$410,340 while the ending 2007 budget for electrical utilities is estimated at \$342,389.

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.923000	Electric Utility	\$375,000	\$410,340	(\$35,340)

RECOMMENDATION:

It is recommended that City Council authorize the increase of the blanket purchase order for 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 of \$21,870 for a new not-to-exceed total of \$410,340 for the 2007 DTE/MMRMA blanket purchase order.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		