



City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS

1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)

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Legislative File No: 2011-0469

**TO:** Mayor and City Council Members  
**FROM:** Scott Cope, Director of Building Department  
**DATE:** October 27, 2011  
**SUBJECT:** Electric Energy for City Facilities

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**REQUEST:**

City Council authorization 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 not-to-exceed \$400,000.00.

**REASON FOR PURCHASE:**

As a member of the Michigan Municipal Risk Management Association (MMRMA) Electric Choice Program, the City participates in a cooperative community purchase for electrical power. The City purchases its electric energy for City Hall, Fire Station #1 and DPS Garage through the program from an alternate electricity supplier. Though the cost of electrical energy has varied during the past years, the City enjoys a modest (cumulative) savings below DTE rates of approximately 7.5% (year to date). 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. Participation in electric choice is capped by the Public Service Commission at 10%.

Due to the nature of the Electric Choice Program, payments for electrical energy and delivery will be made to MMRMA and DTE Energy. The administrative charges from MMRMA and the customer and distribution charges from DTE Energy continues and may fluctuate as specified by the utility and the Michigan Public Service Commission.

The alternative choice contracts expire at various times throughout 2012 and will be re-evaluated and re-bid by Summit Energy Services, Inc. on behalf of the Electric Choice Program participants. The City will continue to monitor the industry to provide the best value for the City.

**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:**

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.923000	Electric Utility	\$400,000	\$400,000	0

**RECOMMENDATION:**

It is recommended that the Rochester Hills 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 \$400,000.00.

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