



City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
248.656.4630
www.rochesterhills.org

Legislative File No: 2022-0010

TO: Mayor and City Council Members
FROM: Scott Cope, Director Building/Ordinance/Facilities
DATE: February 7, 2022
SUBJECT: Electric Energy for City Facilities

REQUEST:

It is requested that City Council authorize a blanket purchase order for the 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 \$495,000 through December 31, 2022.

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. 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 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:

Funding is included in the FY 2022 Adopted Budget.

| Fund Name | Department Account No | Account No. Description | Budget Amount | Cost | Remaining Budget |
|------------------|------------------------------|--------------------------------|----------------------|-------------|-------------------------|
| Facilities | 631.923000 | Electric Utility | \$495,000 | \$495,000 | \$0 |

RECOMMENDATION:

It is recommended that the Rochester Hills City Council authorize a 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 not-to-exceed \$495,000 through December 31, 2022.

| APPROVALS: | SIGNATURE | DATE |
|--|------------------|-------------|
| Department Review | | |
| Department Director | | |
| Budget Content: Chief Financial Officer | | |
| Purchasing Process: Supervisor of Procurement | | |
| Mayor | | |
| Deputy Clerk | | |

Contract Reviewed by City Attorney Yes N/A