

RESOLUTION NO. 2973

A RESOLUTION OF THE CITY OF SALISURY TO AUTHORIZE THE CITY ADMINISTRATOR AND THE DIRECTOR OF PROCUREMENT TO ACT ON BEHALF OF THE CITY IN EXECUTING A CONTRACT FOR THE SUPPLY OF ELECTRICITY.

WHEREAS, electric deregulation became effective in July 2002 and the City of Salisbury is now purchasing electricity on the open market, with signed contracts ending June 2020; and

WHEREAS, the City of Salisbury has solicited bids for the City's electricity supply needs to provide electricity supply services in the City's best interest for up to 60 months, to initiate at the end of the existing term; and

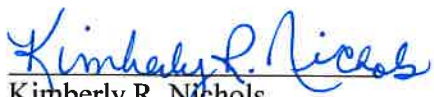
WHEREAS, the goal of this procurement process is to allow the flexibility in conducting the bid process and in responding to the daily changes in market prices for the selection of the optimum rates for the City's electricity accounts; and

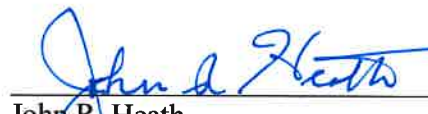
WHEREAS, the current electricity market is extremely volatile and decisions to award must be made within a short window in order to guarantee pricing.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Salisbury, Maryland that the City Administrator and the Director of Procurement, or their designees, are authorized to act on behalf of the City to conduct an electricity procurement process in accordance with City purchasing regulations and to award and execute a contract for electricity supply services with the selected supplier prior to the close of the market the day price proposals are received, without further authorization or approval by Council. The City Administrator and the Director of Procurement, or their designees, will consult with the Mayor and/or the Council President either in person or on the phone, if available, on the recommended selection, but, nevertheless, they shall have the full authorization of the City to proceed with the selection and contract award on behalf of the City of Salisbury.

THE ABOVE RESOLUTION was introduced and read aloud and passed at the regular meeting of the Council of the City of Salisbury held this 23rd day of September 2019, and is to become effective immediately upon adoption.

ATTEST:


Kimberly R. Nichols
CITY CLERK


John R. Heath
COUNCIL PRESIDENT

APPROVED BY ME THIS

24th day of SEPTEMBER, 2019.


Jacob R. Day
MAYOR



City of
Salisbury
Jacob R. Day, Mayor

To: Andy Kitzrow
From: Jennifer Miller
Director of Procurement
Date: September 9, 2019
Subject: RFP 20-104 Electricity Supply Services

The current electricity supply contract for the City's municipal buildings and street lights expires in June 2020. Coupled with the recently passed Clean Energy Jobs – Renewable Portfolio Standard Bill, which could increase rates by 14-18% as of October 1, 2019, it was recommended by the City's energy consultant that the Department of Procurement solicit competitive rates for the City's electricity supply to secure a contract that will provide long-term pricing for budget stability. The solicitation was posted on July 31, and the initial Step One pricing proposals were received August 27, 2019 at 2:30 PM, local time.

The Procurement Department has chosen a two-step solicitation process. Step One consists of a qualifications review, data review, vendor "Electricity Purchase Agreement" review and an initial pricing submittal. Only those vendors meeting the evaluative criteria for selection will be asked to proceed on to the next step. Step Two consists of a Best and Final price proposal and proposed term of contract.

Due to price fluctuations in the energy market and the quickly-approaching date on which the Clean Energy Jobs bill goes into effect, there is a very short window of opportunity to reply to a vendor with acceptance of a pricing proposal. The Department of Procurement seeks City Council approval of a Resolution (attached) which would allow the Administration the ability to sign a contract with the responsive and responsible bidder offering the most favorable Best and Final price in lieu of an award approved at a legislative meeting of the City Council. This process was utilized for the previous energy supply procurement in 2018 (see Resolution 2826).

cc: Jacob R. Day
Julia Glanz