

RESOLUTION NO. 2826

A RESOLUTION OF THE CITY OF SALISBURY 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 2018; and

WHEREAS, the City of Salisbury will solicit bids the City's electricity supply needs February through April 2018 to provide electricity supply services in the City's best interest for 12-36 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 six (6) hour 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, for the City of Salisbury 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 26th day of March 2018, and is to become effective immediately upon adoption.

ATTEST:


Kimberly R. Nichols
CITY CLERK


John R. Heath
COUNCIL PRESIDENT

APPROVED BY ME THIS

27th day of MARCH, 2018.


Jacob R. Day
MAYOR

To: Andy Kitrow
From: Jennifer Miller
Director of Procurement
Date: March 26, 2018
Subject: RFP 06-18 Energy Supply Services

The current electricity supply contract for the City's municipal buildings and operations expires in June 2018; therefore, the Department of Procurement is soliciting competitive rates for the City's electricity accounts. The solicitation was posted in February, and the pricing proposals are due April 11, 2018 by 1:00 PM, local time.

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

Due to price fluctuations in the energy market, there is a very short window of opportunity to reply to a vendor with acceptance of a pricing proposal (approx. 6 hours or less). 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 lowest responsive and responsible bidder 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 2016 (See Resolution 2591).

cc: Jacob R. Day
Julia Glanz