

RESOLUTION NO. 2014-11

AUTHORIZING CONTRACT NO. 2013-191 WITH DIRECT ENERGY BUSINESS, LLC TO PROVIDE ELECTRICITY SUPPLY REQUIREMENTS, FOR A PERIOD OF THIRTY-SIX MONTHS IN AN AMOUNT NOT TO EXCEED \$7,400,000.00 (GENERAL FUND, RAIL DISTRICT DEPARTMENT BUDGET) AND IN AN AMOUNT NOT TO EXCEED \$2,500,000.00 (GENERAL FUND, OFFICE OF MANAGEMENT AND BUDGET DEPARTMENT BUDGET) FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$9,900,000.00

WHEREAS, the Greater Cleveland Regional Transit Authority requires electricity to operate its rail fleets and facilities; and

WHEREAS, the proposal of Direct Energy Business, LLC located at 1001 Liberty Avenue, Pittsburgh, Pennsylvania 15222, for the furnishing of electricity, as required, to certain rail and facility locations for a period of thirty-six months at a contract amount not to exceed \$9,900,000.00 was received on December 27, 2013; and

WHEREAS, after negotiations, Direct Energy Business, LLC agreed to furnish such electricity requirements for a period of thirty-six months; and

WHEREAS, the General Manager/Secretary-Treasurer has deemed the offer of Direct Energy Business, LLC, as negotiated, to be in the best interest of the Authority and recommends acceptance thereof by the Board of Trustees.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of Direct Energy Business, LLC for the furnishing of electricity, as required, to certain rail and facility locations for a period of thirty-six months, as modified by negotiations, is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with Direct Energy Business, LLC for the furnishing of electricity, as required, to certain rail and facility locations for a period of thirty-six months.

Section 3. That said contract shall be payable out of the General Fund, Rail District Department budget in an amount not to exceed \$7,400,000.00 and the Office of Management and Budget Department budget in an amount not to exceed \$2,500,000.00 for a total contract amount not to exceed \$9,900,000.00 for a period of thirty-six months.

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon funding for future years, compliance by the contractor to the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2013-031; bonding and insurance requirements and all applicable laws relating to contractual obligations of the Authority.

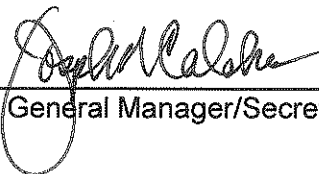
Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects that Direct Energy Business, LLC will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: January 21, 2014



President

Attest: 

CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: ELECTRICITY SUPPLY REQUIREMENTS FOR A PERIOD OF THIRTY-SIX MONTHS VENDOR: DIRECT ENERGY BUSINESS, LLC AMOUNT: NOT TO EXCEED \$9,900,000.00	Resolution No.: 2014-11
	Date: January 17, 2014
	Initiator: Rail District and Office of Management & Budget Departments
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a contract for electricity supply requirements for the operation of its Rail fleets and facilities, as required, for a period of thirty-six months.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority requires electricity to operate both its Light Rail and Heavy Rail fleets, and to power 91% of the Authority's requirements. The 2009 deregulation of electricity affords the Authority the opportunity to solicit proposals from electricity generation providers at the lowest overall cost to the Authority.
- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposal (RFP) was posted on the procurement website and advertised in the local newspapers. Proposals were sought for all Rail and facilities locations currently served by FirstEnergy Solutions (CEI for distribution). Locations currently served by Cleveland Public Power (CPP) were not included in this RFP due to an existing contract with CPP, which is in force until January 2015. Exhibit A lists the locations/accounts included in the RFP. Notifications of the solicitation were sent to seventeen (17) potential proposers. Seventeen (17) prospective proposers downloaded the solicitation and six (6) responded on December 27, 2013.

After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, the proposal of Direct Energy Business, LLC to provide electricity supply requirements was determined to be the most advantageous to the Authority, price and all other factors considered. Due to the nature of the energy market, proposers are only able to hold pricing for a few days.

The offer of Direct Energy Business, LLC, as negotiated, has been determined by the Procurement Department to be the most advantageous to the Authority. A price analysis has been performed and the Procurement Department has determined the price to be fair and reasonable to the Authority

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of certified DBE firms.
- 5.0 **POLICY IMPACT:** Does not apply.

- 6.0 **ECONOMIC IMPACT:** This procurement will be funded through the General Fund, Rail District Department budget in an amount not to exceed \$7,400,000.00 and the Office of Management and Budget Department budget in an amount not to exceed \$2,500,000.00 for a total contract amount not to exceed \$9,900,000.00 for the thirty-six months.
- 7.0 **ALTERNATIVES:** Reject this offer. Rejection of this offer would cause the Authority to repeat the solicitation process to ensure a contract is in place well before May 31, 2014. The consulting costs alone of the current procurement were \$50,000. If the Authority would have to repeat the process, additional consulting fees would be incurred and there would be no guarantee of obtaining bids as favorable as those already obtained. If a contract is not in place before May 31, 2014, the Authority will go back to the Utility Standard Service Offer and pay a higher rate for electricity resulting in higher costs and less budget stability.
- 8.0 **RECOMMENDATION:** This procurement was discussed by the Finance Committee at their January 21, 2014 meeting. It is recommended that the offer of Direct Energy Business, LLC be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
- 9.0 **ATTACHMENTS:** Exhibit A.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement requirements.



CEO, General Manager/Secretary-Treasurer

**Exhibit A
Greater Cleveland Regional Transit Authority
Substation and Facility Account Listing**

Number of Accounts	123
Number of Customers Numbers	127
Historical Annual Kilowatt Hours (kWh)	56,988,238

Address	City	Zip	Util	Rate	Account Number	Customer Number	Meter number	Historical Annual kWh	Interval Meter	Notes
10413 Quincy Ave	Cleveland	44104	CEI	GS	110044049895	08001545645000178590		41,366		
2315 Canal Rd Heat Unit B	Cleveland	44113	CEI	GS	110039512600	08001545645000193396		61,616		
2315 Canal Rd Unit A	Cleveland	44113	CEI	GS	110039514598	08001545645000193393		17,205		
14141 Euclid Ave	East Cleveland	44141	CEI	GS	110052177422	08001545645000290148		7,309		
13580 Euclid Ave	East Cleveland	44112	CEI	GS	110052179311	08001545645000290135		7,111		
13740 Euclid Ave	East Cleveland	44112	CEI	GS	110052177281	08001545645000290137		6,239		
13957 Euclid Ave	East Cleveland	44112	CEI	GS	110052180269	08001545645000290142		5,957		
12421 Euclid Ave	East Cleveland	44112	CEI	GS	110052179220	08001545645000290125		5,594		
13743 Euclid Ave	East Cleveland	44112	CEI	GS	110052177331	08001545645000290140		5,545		
13503 Euclid Ave	East Cleveland	44112	CEI	GS	110052180202	08001545645000290136		5,431		
14026 Euclid Ave	East Cleveland	44112	CEI	GS	110052179378	08001545645000290141		5,399		
13223 Euclid Ave	East Cleveland	44112	CEI	GS	110052177190	08001545645000290134		5,137		
13346 Euclid Ave	East Cleveland	44112	CEI	GS	110052180152	08001545645000290130		5,032		
12430 Euclid Ave	East Cleveland	44112	CEI	GS	110052177133	08001545645000290123		4,833		
12830 Euclid Ave	East Cleveland	44112	CEI	GS	110052177158	08001545645000290126		4,823		
12773 Euclid Ave	East Cleveland	44112	CEI	GS	110052180129	08001545645000290127		4,416		
5575 Great Northern Blvd	North Olmsted	44070	CEI	GS	110056059147	08001545645000311339		41,340		
E 18 & S Marginal	Cleveland	44102	CEI	GS	110066988822	08005790851030096946	909943938	50,240		Total account usage multiple customers
E 18 & S Marginal	Cleveland	44102	CEI	GS	110066988822	08005790855000040285	908243377			
9528 Buckeye Rd	Cleveland	44104	CEI	GS	110067000924	08005790851060000945	S07410642	23,404		Total account usage
3230 Brookpark Rd Bus Lo	Cleveland	44134	CEI	GS	1100669991537	08005790851060058731		18,415		
13117 Caine Ave RR-Com	Cleveland	44105	CEI	GS	110067007275	08005790851070047509		26,357		
Cedar Ave	Cleveland	44106	CEI	GS	110067180031	08005790851100017866		89,991		
14510 Lorain Ave	Cleveland	44111	CEI	GS	110066982890	08005790851110096178		393,440	Y	Interval meter installed 10/03/13
W 3rd St	Cleveland	44113	CEI	GS	110066983294	08005790851120096485		9,920		
12820 Corlett Ave	Cleveland	44105	CEI	GS	110067007218	08005790851140005840		7,309		
7003 Denison Ave	Cleveland	44102	CEI	GS	110066982619	08005790851150089155		4,201		
Shaker & Warrensville Ctr	Shaker Heights	44122	CEI	GSU	110067098928	08005790851190001007	A11631104 & 684441835	175,646		Total account usage multiple customers
Shaker & Warrensville Ctr	Shaker Heights	44122	CEI	GS	110067098928	08005790855000037810	683794721			
Fairchild Ave	Cleveland	44106	CEI	GS	110067092574	08005790851210028845		5,564		
2880 Stokes Blvd	Cleveland	44106	CEI	GS	110067179694	08005790851210033384		6,877		

2334 W 30th St	Cleveland	44113	CEI	GS	110023212233	08005790851220092115			10,662		
2440 Woodhill Rd	Cleveland	44104	CEI	GS	110067001492	08005790851230000955		Y	2,438,712		
2880 E 55th St	Cleveland	44127	CEI	GS	110066996163	08005790851240000962			-		
Coltman Rd	Cleveland	44106	CEI	GS	110067172202	08005790851240097292			2,647		
2501 Harvard Ave	Newburgh Heights	44105	CEI	GSU	110066975779	08005790851270094451		Y	944,840		
12001 Euclid Ave	Cleveland	44114	CEI	GS	110067172509	08005790851290000109			50,335		
10108 Detroit Ave	Cleveland	44102	CEI	GS	110066975738	08005790851290094437			243,360		
Quincy Ave	Cleveland	44104	CEI	GS	110067001286	08005790851310091849			1,222		
E 75th St	Cleveland	44105	CEI	GS	110066966031	08005790851310095989			31		
14510 Lorain Ave	Cleveland	44111	CEI	GS	110066982932	08005790851360071483			83,673		
14510 Lorain Ave	Cleveland	44111	CEI	GS	110067180221	08005790851360071478			1,790		
W 10 & Front St	Cleveland	44113	CEI	GS	110066988640	08005790851450096238	L77871048		98,951	Total account usage	
W 10 & Front St	Cleveland	44113	CEI	GS	110066988640	08005790855000040165	674020994			multiple customers	
14631 York Rd	North Royalton	44133	CEI	GS	110067080611	08005790851490098694			12,054		
13820 Triskett Rd	Cleveland	44111	CEI	GS	110067099108	08005790851530093203			4,971		
24900 Sperry Dr	Westlake	44145	CEI	GS	110067186723	08005790851560096162			152,440		
4182 W 150th St Sign	Cleveland	44135	CEI	GS	110066982825	08005790851590093208			701		
21159 Center Ridge Rd	Rocky River	44116	CEI	GS	110067023678	08005790851620099495			82,000		
7002 War Ave	Cleveland	44105	CEI	GS	110066975845	08005790851630072529			6,213		
500 3rd Ave	East Cleveland	44112	CEI	GS	110067112414	08005790851640001196		Y	939,470	Interval meter installed 07/10/13	
13820 Triskett Rd	Cleveland	44111	CEI	GS	110066982999	08005790851640099490			273,680		
W 3rd St	Cleveland	44113	CEI	GS	110066983468	08005790851650098837			134,160		
12830 Saint Clair Ave Temp	Cleveland	44108	CEI	GS	110067171956	08005790851650094748			4,434		
4369 Pearl Rd	Cleveland	44109	CEI	GS	110066995835	08005790851680000422			454,080		
1802D Brookpark Rd	Cleveland	44142	CEI	GS	110067167368	08005790851680000352			125,440		
2880 E 55th St Pole S	Cleveland	44127	CEI	GS	110066995959	08005790851680039326			871		
E 68th St & Kinsman	Cleveland	44104	CEI	GS	110066996130	08005790851680077257			56		
James Ave	Cleveland	44113	CEI	GS	110066983211	08005790851680095096			27,442		
E 9 & Marginal	Cleveland	44101	CEI	GS	110066989913	08005790851690095581			249,333		
W 10th St	Cleveland	44114	CEI	GS	110066988780	08005790851690095098			19,533		
2700 E 79th St	Cleveland	44104	CEI	GS	110066996353	08005790851700048172			14,577		
E 79th St	Cleveland	44103	CEI	GS	110067001005	08005790851700043639			12,691		
3720 E 93rd St Bus LP	Cleveland	44105	CEI	GS	110069588611	08005790851710028307			5,714		
E 105th St Bus Lo	Cleveland	44108	CEI	GS	110067007390	08005790851710068290			23,023		
18305 Brookpark Rd #4 Sub	Brookpark	44142	CEI	GS	110067112562	08005790851740000354			100,960		
2340 W 30th St Sub St	Cleveland	44113	CEI	GS	110066982783	08005790851760077981			5,020		
2149 W 25th St	Cleveland	44113	CEI	GS	110066982650	08005790851760073042			694		
1972 W 74th St	Cleveland	44102	CEI	GS	110066975936	08005790851770049792			14		
11600 Shaker Blvd	Cleveland	44120	CEI	GS	110067001070	08005790851800001019			21,120		
12800 Shaker Blvd	Cleveland	44120	CEI	GS	110067001153	08005790851910092803			56,007		
2319 Lorain Ave	Cleveland	44113	CEI	GS	110066976132	08005790851920092595			105,520		
E 34th St	Cleveland	44115	CEI	GS	110066991479	08005790854000002390			37,369		
5575 Great Northern Mall	North Olmsted	44070	CEI	GS	110067074648	08005790854000015923			137,055		
1661 Hayden Ave	East Cleveland	44112	CEI	GS	110067107794	08005790854000018132			12,000		
18010 Brookpark Rd	Cleveland	44142	CEI	GS	110067171881	08005790854000022901			143,572		

6200 Grand Ave Gate	Cleveland	44104	CEI	GS	110023221911	08005790854000023446			3,721	
13051 Shaker Blvd	Cleveland	44120	CEI	GS	110067000635	08005790855000034973	236841		54,180	Total account usage
13051 Shaker Blvd	Cleveland	44120	CEI	GS	110067000635	08005790851540075974	921205129			multiple customers
6200 Grand Ave	Cleveland	44104	CEI	GS	110063726415	08005790855000340361			8,108	
24800 Sperry Dr	Westlake	44145	CEI	GS	110072471631	08005790855000367222			19,702	
Shkr/Warr Ctr	Shaker Heights	44122	CEI	GS	110075600008	08005790855000382740			7,677	
26840 Broadway Rd	Bedford	44146	OE	GS	110009302198	08008071420001425499			5,731	
Shaker Blvd	Shaker Heights	44120	CEI	GS	110021193831	08008071421000001003			4,560	
22900 Shaker Blvd	Shaker Heights	44122	CEI	GS	110021199887	08008071421040001003			129,280	
1711 Bryn Mawr Rd	East Cleveland	44112	CEI	GS	1100232211201	08008071421070007606			4,010	
Van Aken Blvd	Shaker Heights	44120	CEI	GS	110021913972	08008071421080001022			18,880	
17118 Madison Ave	Lakewood	44107	CEI	GS	110022901661	08008071421150092572			14,521	
18870 Detroit Ave	Lakewood	44107	CEI	GS	110022959826	08008071421160036895			16,323	
9125 Pearl Rd	Strongsville	44136	CEI	GS	110026774775	08008071421370090025			176,960	
1661 Hayden Ave	East Cleveland	44112	CEI	GSU	110023369991	08008071421380097697		Y	3,153,632	Interval meter installed 07/10/13
Saint Clair Ave	Euclid	44132	CEI	GS	110023985564	08008071421480094156			19,360	
21500 Shaker Blvd	Shaker Heights	44122	CEI	GS	110022101700	08008071421540084264			16,769	
14000 Shaker Blvd	Shaker Heights	44120	CEI	GS	110020809221	08008071421540082790			7,254	
22041 W Sprague Rd	Strongsville	44136	CEI	GS	110026206257	08008071421560074479			21,169	
1240 W 6th St	Cleveland	44113	CEI	GS	110023830109	08008071421580001283			2,131,200	
Superior Rd	East Cleveland	44112	CEI	GS	110024091024	08008071421600007608			150,240	
18303 Brookpark Rd	Brookpark	44142	CEI	GS	110026235231	08008071421730000351			198,520	
Saint Clair Ave @ Babb	Euclid	44132	CEI	GS	110023603175	08008071421770099874			58,680	
1757 Carlyon Rd	East Cleveland	44112	CEI	GS	110023802207	08008071421810091654			2,164	
3775 1/2 Park East Dr Tower	Beachwood	44122	CEI	GS	110025183481	08008071424000016312			52,217	
6020 Lawn Ave	Cleveland	44102	CEI	GS	110032593425	08008071425000118200			127,280	
8555 Day Dr Unit A	Parma	44129	CEI	GS	110039334179	08008071425000190312			197,450	
755 Lakeside Ave NW	Cleveland	44113	CEI	GS	110042277985	08008071425000219757			39,423	
4200 W 150th St	Cleveland	44135	CEI	GS	110074312049	08008071425000345847			566,040	
15905 Chagrin Blvd	Shaker Heights	44120	CEI	GS	110059199254	08008159275000325345			8,616	
2880 E 55th St Sub	Cleveland	44127	CEI	GS	110023222901	08008778084000008582			17,722	
5499 Warrensville Center Rd	Maple Heights	44137	CEI	GS	110021648693	08010183944000015711			90,742	
11601 Madison Ave	Cleveland	44107	CEI	GSU	110060621122	08010925501990101657			1,606,400	
727 W Schaaf Rd Tower	Cleveland	44109	CEI	GS	110021769812	08010971534000016304			51,844	
2880 E 55th St	Cleveland	44127	CEI	GS	110023651356	08011756984000030608			25,423	
W 65 St & Cor	Cleveland	44102	CEI	GSU	110047181216	08033869131000100836			3,054,000	
2334 W 30th St Rail #9	Cleveland	44113	CEI	GSU	110047184228	08033869131010101668			899,200	Substation currently being rebuilt - Estimated completion July 2014
2880 Stokes Blvd	Cleveland	44106	CEI	GSU	110062508178	08033869131100101667		Y	4,450,941	
Euclid & E 120	Cleveland	44106	CEI	GSU	110062508228	08033869131130101664		Y	1,064,976	
1715 Debra Ann Ln	East Cleveland	44112	CEI	GSU	110062508251	08033869131140101667			488,000	
Van Aken & Warrensville	Shaker Heights	44120	CEI	GSU	110062508319	08033869131150101669			315,000	
12800 Shaker Blvd	Cleveland	44120	CEI	GSU	110047217101	08033869131240000107		Y	3,164,023	

Address	City	CEI	GSU	110047215907	08033869131250000109			Substation Down - awaiting procurement for repair
9528 Buckeye Rd	Cleveland	44104	GSU	110047215907	08033869131250000109			
Warrensville Center Rd	Shaker Heights	44122	GSU	110059152956	08033869131260000102		1,606,500	
E 18 & S Marginal	Cleveland	44102	GSU	110047213472	08033869131440097435		358,000	
W 10th St	Cleveland	44113	GSU	110047198772	08033869131760096338		413,006	
18305 Brookpark Rd Rail #4	Cleveland	44135	GSU	110062508012	08033869131930101652		762,000	
W 157th St & Valley View	Cleveland	44135	GSU	110062508061	08033869131960101659		1,251,000	
W 143rd St	Cleveland	44111	GSU	110065624584	08033869131970101652		3,283,280	Y
E 55th St Substation	Cleveland	44127	GSU	110047384950	08033869134000023593		16,382,744	Y
2315 Canal Rd	Cleveland	44113	GSU	110047218281	08033869135000213781		2,405,616	Y

Grand Total

56,988,238