

RESOLUTION NO. 2016-30

AUTHORIZING CONTRACT NO. 2016-020 WITH DIRECT ENERGY BUSINESS, LLC TO PROVIDE ELECTRICITY SUPPLY REQUIREMENTS, FOR A PERIOD OF TWO YEARS IN A PROJECTED AMOUNT NOT TO EXCEED \$4,400,000.00 (GENERAL FUND, RAIL DISTRICT DEPARTMENT BUDGET) AND IN A PROJECTED AMOUNT NOT TO EXCEED \$1,600,000.00 (GENERAL FUND, OFFICE OF MANAGEMENT AND BUDGET DEPARTMENT BUDGET) FOR A TOTAL PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$6,000,000.00

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, for a period of two years, at a projected contract amount not to exceed \$6,000,000.00, was received on March 30, 2016; and

WHEREAS, after negotiations, Direct Energy Business, LLC agreed to furnish the Authority's electricity requirements for a period of two years; and

WHEREAS, the CEO, 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, for a period of two years, as modified by negotiations, is hereby accepted.

Section 2. That the CEO, 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, for a period of two years.

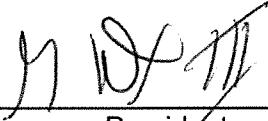
Section 3. That said contract shall be payable out of the General Fund, Rail District Department budget, in a projected not to exceed \$4,400,000.00, and the Office of Management and Budget Department budget, in a projected amount not to exceed \$1,600,000.00, for a total projected contract amount not to exceed \$6,000,000.00 for a period of two years.

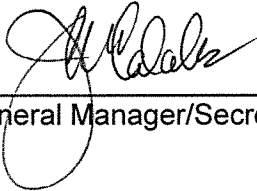
Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon funding for future years, compliance by the contractor with the Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution No. 2015-076; bonding and 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: April 26, 2016

  
\_\_\_\_\_  
President

Attest:   
\_\_\_\_\_  
CEO, General Manager/Secretary-Treasurer



TITLE/DESCRIPTION: CONTRACT: ELECTRICITY SUPPLY – TWO YEARS VENDOR: DIRECT ENERGY BUSINESS, LLC AMOUNT: NOT TO EXCEED \$6,000,000	Resolution No.: 2016-30
	Date: April 25, 2016
	Initiator: Office of Management & Budget
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 two years.

2.0 DESCRIPTION/JUSTIFICATION: The Authority requires electricity to operate both its Light Rail and Heavy Rail fleets, and to power the Authority's facilities. 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 The Illuminating Company ("CEI"). Locations currently served by Cleveland Public Power ("CPP") were not included in this RFP due to an existing contract with CPP that is in force until April 2020. The attached Exhibit A lists the locations/accounts included in the RFP. Notifications of the solicitation were sent to eleven potential proposers. Nineteen interested parties downloaded the solicitation and seven responded on March 30, 2016.

After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, the proposal of Direct Energy Business, LLC, as negotiated, 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 very short time. 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.

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 a projected amount not to exceed \$4,400,000.00 and the Office of Management and Budget Department budget, in a projected amount not to exceed \$1,600,000.00 for a total projected contract amount not to exceed \$6,000,000.00 for the two year period.

7.0 ALTERNATIVES: Reject this offer. Rejection of this offer would cause the Authority to potentially pay a higher rate for electricity, resulting in higher energy costs and less budget stability.

- 8.0 RECOMMENDATION: This procurement was discussed by the Finance Committee at their April 5, 2016 meeting. It is recommended that the offer of Direct Energy Business, LLC be accepted and the resolution passed authorizing the CEO, 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.



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CEO, General Manager/Secretary-Treasurer