

RESOLUTION NO. 2022-51

AUTHORIZING CONTRACT NO. 2022-016 WITH MP2 ENERGY NE LLC TO PROVIDE ELECTRICITY SUPPLY REQUIREMENTS, FOR A PERIOD OF THREE YEARS IN A PROJECTED AMOUNT NOT TO EXCEED \$7,308,000.00 (GENERAL FUND, RAIL DISTRICT DEPARTMENT BUDGET) AND IN A PROJECTED AMOUNT NOT TO EXCEED \$2,967,000.00 (GENERAL FUND, OFFICE OF MANAGEMENT AND BUDGET DEPARTMENT BUDGET) FOR A TOTAL PROJECTED CONTRACT AMOUNT NOT TO EXCEED \$10,275,000.00

WHEREAS, the Authority requires electricity to operate its rail fleets, compress natural gas for its CNG fleet and power its facilities; and

WHEREAS, the proposal of MP2 Energy NE LLC located at 21 Waterway Avenue, Suite 450, The Woodlands, TX 77380, for the furnishing of electricity, as required, for a period of three years at a projected total contract amount not to exceed \$10,275,000.00 was received on March 29, 2022; and

WHEREAS, after negotiations, MP2 Energy NE LLC agreed to furnish the Authority's electricity requirements for a period of three years; and

WHEREAS, the General Manager, Chief Executive Officer deems the offer of MP2 Energy NE 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 MP2 Energy NE LLC for the furnishing of electricity, as required, for a period of three years, as modified by negotiations, is hereby accepted.

Section 2. That the General Manager, Chief Executive Officer of the Authority be and she is hereby authorized to enter into a contract with MP2 Energy NE LLC for the performance of said services.

Section 3. That said contract shall be payable out of the General Fund, Rail District Department budget, in a projected amount not to exceed \$7,308,000.00 and the Office of Management and Budget Department budget, in a projected amount not to exceed \$2,967,000.00, for a total projected contract amount not to exceed \$10,275,000.00 for a period of three years.

Section 4. That said contract shall be binding upon and an obligation of the Authority, contingent upon compliance by the contractor with the Specifications and Addenda thereto, if any; the Affirmative Action Plan adopted by the Board of Trustees; 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 MP2 Energy NE LLC will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

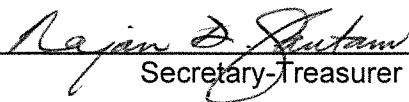
Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: May 24, 2022



President

Attest:



Secretary-Treasurer



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| TITLE/DESCRIPTION: CONTRACT: ELECTRICITY SUPPLY VENDOR: MP2 ENERGY NE LLC AMOUNT: NTE \$10,275,000.00 FOR THREE-YEAR PERIOD | Resolution No.: 2022-51 Date: May 23, 2022 Initiator: Accounting |
| 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, compression of natural gas for its CNG fleet and to power its facilities, as required, for a period of three years.

- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority requires electricity to operate both its Light Rail and Heavy Rail fleets, compress natural gas for its CNG fleet 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. In doing so, the Authority achieves significant cost savings and budget stability.

- 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"), which currently encompasses 142 accounts with 146 meters. Notifications of the solicitation were sent to eight (8) potential proposers. Twenty (20) prospective proposers downloaded the solicitation and six (6) responded on March 29, 2022.

 After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, the proposal of MP2 Energy NE 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 participation 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 a projected amount not to exceed \$7,308,000.00 and the Office of Management and Budget Department budget, in a projected amount not to exceed \$2,967,000.00, for a total projected contract amount not to exceed \$10,275,000.00 for the three-year period.

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

- 8.0 RECOMMENDATION: This procurement was discussed by the Board of Trustees at the May 10, 2022 Organizational, Services and Performance Monitoring Committee meeting. It is recommended that the offer from MP2 Energy NE LLC be accepted and the resolution passed authorizing the General Manager, Chief Executive Officer to enter into a contract.
- 9.0 ATTACHMENTS: None.

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


General Manager, Chief Executive Officer