

**CITY OF COLUMBUS
BID WAIVER INFORMATION FORM**

TO ACCOMPANY LEGISLATION WHICH WAIVES ANY PROVISIONS OF COLUMBUS CITY CODES
CHAPTER 329
(PLEASE LIMIT YOUR RESPONSE TO THIS SHEET)

1. Reasons for waiving City Code bid procedure:

- emergency breakdown causing unplanned need
- item to be purchased is of a perishable nature
- need to extend an existing contract
- there is not enough time to obtain formal bids to satisfy need
- non-price error on either the bidder's or the City's part in the bid proposal
- a new law or regulation requires immediate compliance
- other _____

2. Detailed explanation of reason (must be completed by division):

This legislation authorizes the Director of Public Utilities to negotiate with multiple potential providers of wholesale energy, to enter into a contract for purchase power, and waives provisions of Columbus City Code relating to award of contracts through the RFP process. Negotiating contract terms and power pricing with more than one provider should allow the City to secure the best contract available.

The Department of Public Utilities will request proposals from potential suppliers and will negotiate contract terms and conditions with suppliers deemed to have submitted responsive proposals. This process will allow department staff to compare proposals and terms in order to select the best purchase power contract for the Division of Power.

The Department has purchase power contracts in effect through November 30, 2019. This new request would solicit pricing for 6-month, 13-month, and 18-month terms in order to secure power up to May 31, 2021. The term of any contract that may be executed would depend on the pricing proposals received.

It is in our customers' best interest to obtain stable prices in advance, and it may be beneficial to secure power for this period at this time. Wholesale electric prices are currently driven by volatile prices for natural gas and coal that are used to generate electricity. Prices are also adjusting to environmental regulation and gas-electric coordination issues revealed by the January 2014 winter weather conditions (commonly referred to as the "polar vortex").

Wholesale market conditions are generally favorable due to continued relatively low natural gas prices. This wholesale power market environment warrants authorizing the Director of Public Utilities to negotiate contract terms with more than one potential supplier. This ordinance does not require the Director of Public Utilities to execute a contract if the RFP process does not produce pricing/terms and conditions that serve the best interest of the City.

3. Informal procedure used:

telephone quotations

written quotations

negotiations

4. Informal bids received and prices for each:

N/A

5. If lowest bid was not accepted, explain criteria for award:

N/A

ORDINANCE

#: ORD

#2239-2014

APPROVED

Authorized Approval on Corresponding Legislative File

BY:

DATE:
