



# City of Columbus

Office of City Clerk  
90 West Broad Street  
Columbus OH 43215-9015  
columbuscitycouncil.org

## Legislation Text

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**File #:** 1472-2008, **Version:** 1

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**BACKGROUND:** This ordinance authorizes the Director of Public Utilities to enter into a contract with American Municipal Power-Ohio, Inc. (AMP-Ohio) as a sole source to provide wholesale electric power and associated services for the Division of Power and Water.

Ordinance 0153-2008, passed February 25, 2008, authorized modifications of the AMP-Ohio contracts for the generic purchase power agreement and the Gorsuch purchase power agreement. The Gorsuch modification has been executed. However, it has been determined that to meet the current needs of the City and AMP-Ohio, the existing generic agreement should be replaced with a new Master Services Agreement with revised terms and conditions. This new Master Services Agreement has been reviewed by the City Attorney's office and the terms and conditions are acceptable to the City.

AMP-Ohio is a non-profit organization for state municipalities acting as a broker on their behalf to purchase power in high volume at the most competitive prices through a bidding process. Under the existing generic agreement, the City obtains power transmitted from NYPA, Shelby and Gorsuch. NYPA has historically been below market since it is from a hydroelectric project. Additional membership services provided by AMP-Ohio such as lobbying, regulatory compliance, training, market analysis, and updates about reliability standards are unique to the municipal power system environment in our area.

**Contract Compliance Number: 310943223, expires January 24, 2010.**

Emergency action is requested in order that purchases may continue without interruption and payments can be made on a timely basis.

**FISCAL IMPACT:** \$57,302,956 is budgeted in the Electricity Fund 550 for purchase power and an additional \$174,000 is budgeted for Amp-Ohio service fees. The total purchased power expenditures for 2006 and 2007 were \$37,677,109.56 and \$53,866,755, respectively. The remaining balance on the Auditor's Certificate for the aforementioned ordinance passed earlier this year will be cancelled.

To authorize the Director of Public Utilities to enter into a contract with American Municipal Power-Ohio, Inc. for the purchase of wholesale electric power and associated services under the sole source provisions of the Columbus City Code; to authorize the expenditure of \$660,000.00 from the Electricity Operating Fund; and to declare an emergency. (\$660,000.00)

**WHEREAS,** the City of Columbus owns and operates an electric system for the sale of electric power and energy; and

**WHEREAS,** in order to satisfy a portion of the electric power and energy requirements of its electric system, the City of Columbus has heretofore purchased from American Municipal Power-Ohio, Inc. (AMP-Ohio), an Ohio corporation not for profit of which the City of Columbus is a member, certain electric power and energy procured by AMP-Ohio from third parties; and

**WHEREAS,** this legislation is being submitted in accordance with the Sole Source provisions of the Columbus City Code Section 329.07, and

**WHEREAS,** emergency action is requested in order that purchases may continue without interruption and payments for purchased power may be made on a timely basis; and

**WHEREAS,** an emergency exists in the usual daily operation of the Department of Public Utilities, Division of Power and Water, in

that it is immediately necessary to enter into a contract with American Municipal Power-Ohio, Inc. for the purchase of wholesale electric power and associated services for the immediate preservation of the public health, peace, property, safety and welfare; now, therefore,

**BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:**

**SECTION 1.** That the Director of Public Utilities be and is hereby authorized to enter into a contract with American Municipal Power-Ohio, Inc. for the purchase of wholesale electric power and associated services for the Division of Power and Water.

**SECTION 2.** That this Council finds it in the best interest of the City of Columbus to pass this legislation in accordance with the Sole Source provisions of Columbus City Code Section 329.07 (e).

**SECTION 3.** That to pay the cost of the aforesaid contract, the expenditure of \$660,000.00, or so much thereof as may be needed, is hereby authorized from Electricity Operating Fund 550, Division No. 60-07, OCA Code 600830, and shall be disbursed among the following Object Level Three Codes:

Object Level Three: 2233	\$ 570,000.00
Object Level Three: 3333	<u>90,000.00</u>
Total:	\$ 660,000.00

**SECTION 4.** That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.