



Legislation Text

File #: 0229-2015, **Version:** 1

BACKGROUND: This ordinance authorizes the Director of Public Utilities to modify the Master Services Agreement Contract EL008750 with American Municipal Power, Inc. (AMP, Inc.) to provide funding for the purchase of wholesale electricity and associated services during 2015 for the Division of Power. The 2015 budget process computed the cost of 12 months of power supply, and additional ancillary services provided by AMP, Inc. such as diesel generator maintenance, representation on Federal power issues, staff training and customer development services.

Amount of additional funds to be expended: The total of this ordinance is \$55,725,000.00. The majority of the funds \$55,000,000.00 is allocated for purchase power and the balance \$725,000.00 for services provided by AMP, Inc.

Reasons additional goods/services could not be foreseen: The Division of Power currently has contracts in place with American Municipal Power, Inc. for the purchase of wholesale electricity and ancillary services. This legislation authorizes increases in the amounts of the contracts to cover needs for 2015.

Reason other procurement processes are not used: American Municipal Power, Inc. is a non-profit organization for state municipalities and, acting as a broker, has contracted competitive prices on the City's behalf through a bidding process.

How cost of modification was determined: This modification is based upon estimated requirements for 2015 at rates as established in the existing contract.

Contract Compliance Number: 310943223, expires January 15, 2016.

American Municipal Power, Inc. does not hold MBE/FBE status.

The company is not debarred according to the Excluded Party Listing System of the Federal Government or prohibited from being awarded a contract according to the Auditor of State Unresolved Findings for Recovery Certified Search.

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

FISCAL IMPACT: The amount budgeted in the Electricity Operating Fund 550 for purchase power is \$55,900,000.00. The total amounts spent for purchase power in 2013 and 2014 were \$58,512,594.79, and \$54,297,038.55, respectively.

This ordinance is contingent on the passage of the 2015 operating budget, which is Ordinance 2621-2014.

To authorize the Director of Public Utilities to modify the contract for the purchase of wholesale electric power with American Municipal Power, Inc. for the Division of Power and to authorize the expenditure of \$55,725,000.00 and to declare an emergency. (\$55,725,000.00)

WHEREAS, the Division of Power has purchased wholesale electricity and associated services during the 2014 budget year with American Municipal Power, Inc.; and

WHEREAS, is necessary to increase the existing contract with American Municipal Power, Inc. to provide for wholesale electric power and associated services required in 2015 by the Division of Power; and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities, Division of Power, in that it is necessary to modify contracts with American Municipal Power, Inc. in order that purchases may continue without interruption and payments for purchased power may be made on a timely basis 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 modify the Master Services Agreement Contract EL008750 with American Municipal Power, Inc. by increasing the amounts by \$55,725,000.00, as follows:

<u>CONTRACT NUMBER</u>	<u>AMOUNT</u>
EL008750-001 (Master Services Agreement)	\$ 55,000,000.00
EL008750-002 (Membership Services)	<u>725,000.00</u>
Total	\$ 55,725,000.00

SECTION 2. That the funds necessary to carry out the purpose of this ordinance are hereby deemed appropriated, and the City Auditor shall establish such accounting codes as necessary.

SECTION 3. That this modification is in compliance with Chapter 329 of Columbus City Codes.

SECTION 4. That to pay the cost of the aforesaid contract modification, the expenditure of \$55,725,000.00, 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	\$ 55,000,000.00
Object Level Three 3333	<u>725,000.00</u>
Total	\$ 55,725,000.00

SECTION 5. 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.