



## Legislation Text

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**File #:** 1895-2007, **Version:** 1

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The Department of Public Utilities, Division of Power and Water solicited proposals (RFP's) from experienced professional consulting firms to provide full-service assistance to the City and perform a business analysis for the Power section of the Division of Power and Water. The selected professional service firm will prepare technical reports of evaluation findings and make recommendations for improvements and/or alterations to the current business model and processes. In the event the business analysis identifies additional needed work directly related to the original scope of services, a modification based on negotiation of services to be performed will be presented for consideration by City Council. Proposals were received from:

Black & Veatch Corp.  
Schumaker & Co.  
MAXIMUS  
EMA, Inc.

After review of the RFPs, the selection committee recommended Black & Veatch Corp. A scope of services and contract pricing have been negotiated and this ordinance requests authority to enter into contract with Black & Veatch Corp.

**SUPPLIER:** Black & Veatch Corp. Contract Compliance No.43-1833073 Expiration Date 11/29/09.

The project scope of services includes:

### **Review the current business**

Completely define the current business of providing city street lights through the sale of electricity to city electric customers. Identify and quantify the benefits and costs of the current business model to the City of Columbus.

**Develop and Evaluate approaches** to provide municipal street lights. Include in the evaluation:

A prediction of the future purchased power market using the best current available information. This will include purchased power costs, commodity market, future regulatory trends, legislative trends, trends in the industry, the impact of PUCO rate stabilization plans.

Estimate customer impacts.

Evaluate Project 2020. Could Project 2020 be accelerated?

Evaluate and recommend the future configuration of power generation sources.

Evaluate the city's position as a power distributor.

Evaluate and recommend a marketing strategy.

Conduct a thorough benchmarking of the Power section's operations and business processes.

Identify and quantify opportunities to further improve the effectiveness and efficiency of the street lighting program.

Make short term and long term recommendations. Consider benefits, costs, payback periods, risks, city resource requirements.

### **Fiscal Impact**

The contract was not budgeted in 2007 but sufficient funding remains in the current appropriation to fund the contract.

Emergency legislation is being requested so that funds are available at the earliest time to allow for the analysis of the business

practice of the Division of Power and Water, Power can begin.

To authorize the Director of Public Utilities to enter into contract with Black & Veatch Corp. to perform a business analysis for the Power section of the Division of Power and Water and to authorize an expenditure of \$235,000.00 from the Electricity Operating Fund, and to declare an emergency. (\$235,000.00)

**WHEREAS**, The Department of Public Utilities requests authority to enter into contract with Black & Veatch Corp. to completely define the current business of providing city street lights through the sale of electricity to city electric customers and to also identify and quantify the benefits and costs of the current business model to the City of Columbus, and

**WHEREAS**, the evaluation will include a prediction of the future purchased power market using the best current available information, an estimate of customer impacts, an evaluation of Project 2020, an evaluation and recommendation regarding the future configuration of power generation sources, an evaluation of the city's position as a power distributor, an evaluation and recommendation of a marketing strategy, a thorough benchmarking of the Power section's operations and business processes and an identification of opportunities to further improve the effectiveness and efficiency of the street lighting program, and

**WHEREAS**, an emergency exists in the usual daily business of the Department of Public Utilities, in that it is immediately necessary to enter into contract with Black & Veatch Corp to provide business analysis for the Division of Power and Water (Power) for the immediate preservation of the public health, peace, property and safety; now, therefore

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

**SECTION 1** That the Director of Public Utilities is hereby authorized to enter into contract with Black & Veatch Corp. to perform a business analysis for the Power section of the Division of Power and Water.

**SECTION 2** That the expenditure of \$235,000.00 or so much thereof as may be needed it hereby authorized from the Electricity Operating Fund No. 550, OCA 600700, OL1, 03, OL3, 3336.

**SECTION 3** That for the reasons stated in the preamble hereto, where is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure, 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.