



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 17-0898, Version: 1

TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 31, 2017

COMMITTEE ON Procurement

Mr. David St. Pierre, Executive Director

Issue purchase order and enter into an agreement for Contract 16-RFP-28, Procurement of Energy Advisory Services, with American Powernet Management, LP, in an amount not to exceed \$412,400.00, Account 101-66000-612430, Requisition 1434140

Dear Sir:

Authorization is requested to issue a purchase order and enter into an agreement with American Powernet Management, LP for Energy Advisory Services.

The purpose of the RFP is to contract with an energy advisory services provider possessing the requisite expertise to enroll the District as a member into the Pennsylvania, New Jersey and Maryland (PJM) Energy Market. Additionally, they shall provide consulting services for the purchase and sale of electrical energy, capacity and Renewable Energy Credits (RECs) on the wholesale market for all Metropolitan Water Reclamation District of Greater Chicago (District) facilities.

A PJM membership and grid interconnection will allow the District the following market options within the PJM electric grid:

- Provide higher value for power generated by the Lockport Power House, digesters or other future assets by selling power directly into the PJM interconnection electricity grid;
- Maximize revenues by selling the associated RECs (hydro, digester or other future renewable energy generation);
- Maximize revenues for capacity of electricity generation. (Members of PJM are compensated for their capacity to generate power by participation in the capacity auction);
- Realize revenue by participation in the PJM ancillary market programs including Frequency Regulation, Black Start, Synch Reserves, and Voltage Regulation;
- Eliminate fees paid to assisting entities when purchasing power through PJM at wholesale market prices.

A Request for Proposal, 16-RFP-28, Procurement of Energy Advisory Services, was advertised on February 8, 2017. One hundred fifty-nine (159) firms were notified and thirty-one firms requested proposal documents. Three proposals were received on March 24, 2017, from American Powernet Management, LP, Green Harbor Energy, LLC, and Woodlawn Associates.

Four District employees, consisting of two members of the Maintenance and Operation Department, one member of the Procurement and Materials Management Department and one member of the Law Department reviewed and evaluated the proposals from all proposers based on the criteria established in the proposal documents. All three firms were interviewed on June 6 and June 7, 2017, and submitted their Best and Final

Offer (BAFO) on July 5, 2017.

Based on the vendor presentation and response, American Powernet Management, LP, was evaluated as having the highest rated proposal.

The agreement shall end December 31, 2021, unless it is extended by mutual agreement and approval by the Board of Commissioners.

Inasmuch as the firm of American Powernet Management, LP possesses of a high degree of professional skill to provide the required services, it is recommended that the Director of Procurement and Materials Management be authorized to issue a purchase order and enter into an agreement per Section 11.4 of the Purchasing Act with American Powernet Management, LP, in an amount not to exceed \$412,400.00.

Funds for 2017 expenditure in the amount of \$98,800.00 are available in Account 101-66000-612430. The estimated expenditures for 2018 is \$79,400.00 and will be required in each subsequent year. Funds for 2018 and subsequent years, 2019, 2020 and 2021, are contingent on the Board of Commissioners' approval of the District's budget for those years.

Requested, John P. Murray, Director of Maintenance and Operation, BAP:SO'C:MAG:JR:ses:pd:jl
Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management
Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for August 31,2017