

Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 4, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Report on the results of Request for Proposal (RFP) 14-RFP-18, Supply of Electricity, via the use of a reverse auction for energy procurement

Dear Sir:

At the March 6, 2014 Board meeting, authorization was approved to enter into an agreement with a successful proposer(s) for Request for Proposal 14-RFP-18, Supply of Electricity.

On August 6, 2014, the District advertised a request for proposal, 14-RFP-18, Supply of Electricity. In response to a public advertisement, the District received four (4) proposals on September 5, 2014. The four proposers were Constellation New Energy, Inc., MidAmerican Energy Company, Integrys Energy Services, Inc., and Dynegy Energy Services.

The evaluation committee, consisting of members of the Maintenance and Operations, Law, and Procurement and Materials Management Departments, evaluated the proposals.

All four proposers were notified they would be invited to participate in the reverse auction on October 20, 2014. The District offered various options in which proposers could submit a bid for round the clock (RTC) pricing, for various contract periods, for Group 1 and Group 2.

As a result of the reverse auction held on November 5, 2014, the District awarded a contract to Dynegy Energy Services, for Group 1, for a price of \$0.04285/kWh RTC, including a bandwidth of 100% for a term of 36 months, beginning on the first meter read date in December 2014 and ending December 31, 2017. The increase in cost for electricity for 2015, 2016 and 2017 is \$31,000.00 higher than 2014 prices.

Dynegy Energy Services was also awarded Group 2, for a price of \$0.03925/kWh RTC, including a bandwidth of 100% for a term of 24 months, beginning on the first meter read date in December 2015 and ending December 31, 2017. The increase in cost for electricity for 2016 and 2017 is \$1,000,000.00 higher than 2015 prices.

This time period will place all electric accounts on the same ending date for Groups 1 and 2.

Respectfully Submitted, Darlene A. LoCascio, Director of Procurement and Materials Management, DAL:SEB:cm