



# Agenda Cover Memorandum

Meeting Date: March 20, 2017

Fiscal Year: 2017

Meeting Type:  Committee of the Whole  City Council  Budget Workshop

Item Title: Approve the continued participation with Northern Illinois Municipal Electronic Cooperative (NIMEC) and one-year contract to purchase retail (electric) power from Dynege Energy Services, LLC.

Item Type:  Transfer  Budget Amendment  Purchase Order  Other

Action Requested:  Approval  For Discussion  Feedback Requested  For Your Information

Staff Contact: Joe Gilmore, Acting City Manager Phone: (847) 318-5216 Email: jgilmore@parkridge.us

Background:

The State of Illinois deregulated the electric power industry in 2006 to facilitate competition. Since that time, the City of Park Ridge has been utilizing a competitive bid process to secure electric power through the Northern Illinois Municipal Electric Cooperative (NIMEC), a private broker owned by the Glenview Consulting Group. NIMEC provides this service to many municipalities by creating a bid group and soliciting bids. Per the agreement there is a fee that is paid directly to the Glenview Consulting Group by the winning bidder and that fee is reflected in the price quoted for the City.

The current agreement with our electric power provider (Dynege) expires in April 2017. NIMEC monitors market conditions and trends in an effort to obtain favorable rates, and held their annual power auction on March 8, 2017. Because of the volatility of power prices, the City must lock in the price through same day acceptance. On behalf of the City I locked in the one-year rate with Dynege of 5.128 cents/kWh. Our current rate is 5.35 cents/kWh. The City consumes roughly 100,000 kWh's / month through these accounts, although the volume is variable.

Based upon the volatility of market conditions, uncertainty of bid date, and expediency with which bid results must be accepted (same day bid acceptance), I am requesting retroactive approval for this agreement. Dynege will be included on the blanket PO list as in prior years.

This item was discussed at the March 13, 2017 Committee of the Whole meeting, and passed unanimously, 6-0 (Ald. Shubert was absent).

Vendor and Transaction History:

Vendor Status:  Current  New

Is Purchase Order Request supported by existing contract:  Yes  No If Yes, date:

Is this an Annual Recurring Purchase Order:  Yes  No

Bid Process Used:  N/A  Price Quotes  Bid  RFP Details:

Have Goods been received or Statement of Work completed:  N/A  Yes  No

If Overage, approved by Department:  Yes  No Details:

Recommendation:

Approve the continued participation with Northern Illinois Municipal Electronic Cooperative (NIMEC) and one-year contract to purchase retail (electric) power from Dynege Energy Services, LLC.

Budget Implications:

Does Action Require an Expenditure of Funds:  Yes  No

If Yes, Total Cost:

If Yes, is this a Budgeted Item:  Yes  No  Requires Budget Amendment

**Agenda Cover Memorandum (Cont.)**

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If Budgeted, Budget Code (Fund, Dept, Object): various

Attachment(s), if any: None