

MEMORANDUM

To: City Council

From: David J. Deutsch
City Manager

Subject: Extension of PEPCO Energy Services Contract through the Baltimore Regional Cooperative Purchasing Committee (BRCPC) - R-33-10

Date: May 28, 2010

The City currently has a contract with PEPCO Energy Services through the Baltimore Regional Cooperative Purchasing Committee (BRCPC) for the purchase of electricity on the wholesale electric market. This contract has been in place since January 5, 2006. As a result of the City's participation in this contract, the City has saved significant resources over the BGE Standard Offer Service for purchase of electricity. In FY 2008, the City saved \$104,012 from purchasing through BRCPC over the BGE Standard Offer Service. In FY 2009, the City saved \$357,856 over the BGE Standard Offer Service as a result of purchasing through BRCPC.

This contract is currently due to expire on December 31, 2010. It is to the mutual benefit of BRCPC, the City of Bowie and PEPCO Energy Services to extend this contract for one additional year until December 31, 2011. It is anticipated that BRCPC collectively would save approximately \$800,000 by this extension. All 23 members of BRCPC must agree to this extension for it to take effect.

Staff Recommendation

Staff recommends that Council approve Resolution R-33-10 approving the extension of the PEPCO Energy Services contract through the Baltimore Regional Cooperative Purchasing Committee (BRCPC) for the purchase of electricity on the wholesale electric market for one additional year. The City has saved considerable resources by our participation in this contract and it is in the City's financial interest to extend this contract for one additional year.

DJD/JLF/adf

**RESOLUTION
OF THE COUNCIL OF BOWIE, MARYLAND
EXTENDING A CONTRACT WITH PEPCO ENERGY SERVICES, INC.
TO ACT AS AN AGENT OF THE CITY AND PERFORM PURCHASING
TRANSACTIONS FOR ELECTRICITY ON THE PJM HOURLY PRICING AND
WHOLESALE FIXED RATE BLOCK MARKETS**

WHEREAS, the City of Bowie (“City”) is a member of the Baltimore Regional Cooperative Purchasing Committee (“BRCPC”); and

WHEREAS, BRCPC is comprised of 23 public entities located in the Baltimore metropolitan area; and

WHEREAS, all entities, including the City of Bowie, entered into a contract with PEPCO Energy Services in January 2006 to perform purchasing of electricity on wholesale markets; and

WHEREAS, this purchasing strategy has saved the City of Bowie significant resources over the BGE Standard Offer Service for purchase of electricity; and

WHEREAS, the current contract with PEPCO Energy Services is set to expire as of December 31, 2010; and

WHEREAS, it is in the mutual interest of BRCPC, the City of Bowie and PEPCO Energy Services to extend this contract for one additional year until December 31, 2011; and

WHEREAS, BRCPC collectively anticipates saving approximately \$800,000 by extending this contract at the current transactional service fee of \$0.55 MWh; and

WHEREAS, all 23 members of BRCPC must agree to this contract extension.

NOW, THEREFORE BE IT RESOLVED by the Council of the City of Bowie, Maryland that the contract to purchase electricity at wholesale prices on the PJM market with PEPCO Energy Services be extended for one additional year to December 31, 2011; and

BE IT FURTHER RESOLVED that the City Manager is authorized to sign a one year contract extension with PEPCO Energy Services, Inc. to perform these services on behalf of the City as a member of the BRCPC entity.

INTRODUCED AND PASSED by the Council of the City of Bowie, Maryland at a Regular Meeting on June 8, 2010.

ATTEST

THE CITY OF BOWIE, MARYLAND

Pamela A. Fleming
City Clerk

G. Frederick Robinson
Mayor