

RESOLUTION NO. 2014- 78

A RESOLUTION AWARDDING AN OPEN-END CONTRACT TO WOODRUFF ENERGY US LLC, BRIDGETON, NJ FOR THIRD-PARTY NATURAL GAS SUPPLY SERVICE FOR CITY BUILDINGS.

WHEREAS, the City of Vineland has heretofore advertised for bids for Third-Party Natural Gas Supply Service for City Buildings, in accordance with specifications on file in the office of the Purchasing Agent; and

WHEREAS, on December 10, 2013, bids were received, duly opened and read aloud, being referred to the Business Administrator for tabulation, evaluation, report and recommendation; and

WHEREAS, the Business Administrator has, under date of February 4, 2014 submitted a written report and tabulation of the bids received and has recommended that an open-end contract for Third-Party Natural Gas Supply Service for City Buildings, be awarded to Woodruff Energy US LLC, Bridgeton, NJ, at a cost of \$0.547 per therm, estimated to be \$279,194.82 (over three (3) years), said contract beginning December 1, 2014 for a period of three (3) years, said bid being the only bid received and considered in the best interest of the City of Vineland; now, therefore,

BE IT RESOLVED by the Council of the City of Vineland that said open-end contract for Third-Party Natural Gas Supply Service for City Buildings, be awarded to Woodruff Energy US LLC, Bridgeton, NJ, at a cost of \$0.547 per therm, estimated to be \$279,194.82 (over three (3) years), said contract beginning December 1, 2014 for a period of three (3) years, said bid being the only bid received and considered in the best interest of the City of Vineland, and the Purchasing Agent be and the same is hereby authorized and directed to issue purchase order contract for the same in behalf of the City; and

BE IT FURTHER RESOLVED that the City Comptroller has certified that the funds for the contract to be awarded herein are available.

Adopted:

President of Council

ATTEST:

City Clerk



February 4, 2014

REPORT TO: THE MAYOR AND COUNCIL

RE: Proposals Submitted to the Purchasing Board on 12/10 & 12/19/13

Dear Mayor and Members of Council:

Submitted to you herewith for your consideration is our evaluation of the proposals submitted to the Purchasing Board on December 10, and December 19, 2013.

FURNISHING AND DELIVERY OF GROUPED WAREHOUSE MATERIALS 2013 FOR THE VINELAND MUNICIPAL ELECTRIC UTILITY – DISTRIBUTION DIVISION

It is the recommendation of the Director of Municipal Utilities, which has the concurrence of the Business Administrator and the Purchasing Agent that a contract be awarded on an individual line item basis to the respective low bidders as provided in the specifications as follows:

Groups A, B, C, J, K, L, N4(no award for item #777-114), & Q – Estimated Total \$14,258.01
Irby Company, Liverpool, NY

Groups D, H, I, N6, & O, – Estimated Total \$11,977.72
HD Supply Power Solutions, New Castle, DE

Groups E, F, G, M, N1, N3, N5(no award for item #777-161), R, & S – Estimated Total \$35,167.93
WESCO Distribution, Richmond, VA

Groups N2, & P(award items #838-030 or #838-034) (no one quoted items #838-050A or #838-050B – Estimated Total \$1,775.42
Rumsey Electric, Conshohocken, PA

THIRD-PARTY NATURAL GAS SUPPLY SERVICE FOR CITY BUILDINGS

It is the recommendation of the Purchasing Agent, Electric Utility Staff with the assistance of their natural gas consultant, Fellon-McCord, which has the concurrence of the Business Administrator that a contract be awarded to the only bidder, Woodruff Energy US LLC, Bridgeton, NJ, at a cost of \$0.547 per therm, estimated to be \$279,194.82 (over three (3) years), said contract beginning December 1, 2014 for a period of three (3) years.

COMPLETION OF VINELAND SENIOR CENTER RE-ROOFING AND MISCELLANEOUS REPAIRS



COMPLETION OF VINELAND SENIOR CENTER RE-ROOFING AND MISCELLANEOUS REPAIRS

It is the recommendation of the City's Architect, JW Pedersen, which has the concurrence of the Business Administrator and the Purchasing Agent that the bids received for the above should be rejected because two (2) bids exceeded the Engineer's estimate and the third bidder submitted a request for withdrawal of their bid pursuant to N.J.S.A 40A:11-23.3.

We trust that the above recommendations will receive your favorable consideration and that the recommended resolutions will be adopted as presented.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "William Lutz", is written over a horizontal line.

William Lutz
Business Administrator

/wr
Encls.



City of

Vineland

New Jersey

YVONNE LEWIS, RPPO

Purchasing Agent

640 E. WOOD STREET • P.O. BOX 1508
VINELAND, NEW JERSEY 08362-1508

Telephone: (856) 794-4040

Fax: (856) 405-4605

e-mail: ylewis@vinelandcity.org

<http://www.ci.vinelandcity.org>



January 16, 2014

MEMORANDUM TO WILLIAM LUTZ:

RE: Third-Party Natural Gas Supply Service for City Buildings

Attached is a bid evaluation/recommendation to award a contract to Woodruff Energy US, LLC, the only bid received on December 10, 2013 for natural gas for the city buildings.

This bid evaluation was prepared by the Electric Utility with the assistance of Fellon-McCord, the city's natural gas consultant.

They are recommending award of this contract at a cost of \$0.547 per therm, estimated to be \$279,194.82 over three (3) years. The start date of this contract is December 1, 2014 and would be for three (3) years.

Also attached is the recommendation & analysis prepared by Fellon-McCord.

I trust the above meets with your approval. If you have any questions, please do not hesitate to contact me.

Sincerely,

Yvonne Lewis, RPPO
Purchasing Agent



BID EVALUATION FORM

DEPARTMENT City of Vineland

Date: January 10, 2014

The undersigned recommends that a contract be awarded for the following:

1. Bid Title: Third-Party Natural Gas Supply Service
2. Amount to be Awarded: \$ 0.547 per therm (estimated \$279,194.82 over 3 years)
 - Encumber Total Award
 - Encumber by Supplemental Release
3. Engineer's Estimate: \$ 0.45 per therm (estimated \$229,684.95 over 3 years)
4. Amount Budget: \$ _____
5. Account Number to be Charged: VARIOUS ACCOUNT THROUGHOUT THE CITY
6. Date Bids Received: December 10, 2013
7. Date to be Awarded: January 28, 2014
8. Recommended Vendor: Woodruff Energy US LLC
9. Is Recommended Vendor the Apparent Lowest Bidder? Yes No
10. Comments/Special Instructions:
11. Evaluation Performed by: Albert Mongeluzzo, Jeff Davis, Fellon-McCord, STEVE August *SM August 1/15/14*
12. Approved By: _____
13. Attached: (Check-Off List)
 - Tabulation of Bids
 - Justification for Vendor Recommendation (if applicable)
 - Evaluation Data (if applicable)

Send copies to:

Purchasing Division
Jeff Davis

Business Administration
Albert Mongeluzzo

TABULATION OF BIDS
THIRD-PARTY NATURAL GAS SUPPLY
SERVICE FOR CITY BUILDINGS
DECEMBER 10, 2014

Engineer's Estimate - \$76,561.65 (1 year)

	Woodruff Energy US LLC 72 Water St Box 777 Bridgeton NJ
BB, CAC, CEC	BB - \$5,000
Surety	YES
Corp. Discl.	YES
Affir. Action Plan	YES
Check List	YES
Proposal	YES
Qualification of Bidder *	YES
Per therm 12 months	\$0.565
Per therm 24 months	\$0.548
Per therm 36 months	\$0.547

* to be evaluated by VMEU personnel

Specifications received by the following:

UGI Energy Services
Hess Energy
PPL Energy
4 Star Auto Glass
Mansfield Oil
SJ Energy

Notices also sent to the following:

Constellation New Energy
Shell Energy
South Jersey Gas
Sprague Energy
Compass Energy
Global Energy Marketing
Colonial Energy

See second page for project summary.



Natural Gas Tariff Analysis

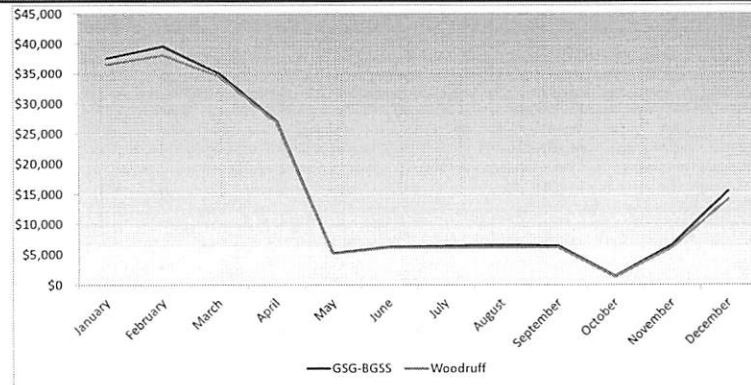
Vineland Municipal
Vineland, NJ

Recommendation & Analysis

Taking service under the GSG South Jersey Gas rate with a fixed-price commodity rate from Woodruff Energy produces an estimated \$6,440 annual savings with the 12 month bid of \$.565/therm. This breaks-down to roughly equal \$280 in annual savings per municipal building. Given the cumulative savings, purchasing gas from Woodruff as opposed to South Jersey is a viable option.

Month	Monthly Usage (Dth)	GSG-BGSS		Woodruff	
		Spend	\$/Dth	Spend	\$/Dth
January	3,323	\$37,575	\$ 11.3085	\$36,517	\$ 10.9902
February	3,468	\$39,568	\$ 11.4082	\$38,117	\$ 10.9899
March	3,136	\$34,999	\$ 11.1589	\$34,471	\$ 10.9906
April	2,444	\$27,160	\$ 11.1111	\$26,871	\$ 10.9927
May	466	\$5,247	\$ 11.2524	\$5,145	\$ 11.0341
June	557	\$6,288	\$ 11.2941	\$6,138	\$ 11.0258
July	557	\$6,427	\$ 11.5441	\$6,138	\$ 11.0258
August	557	\$6,566	\$ 11.7941	\$6,138	\$ 11.0258
September	557	\$6,399	\$ 11.4941	\$6,138	\$ 11.0258
October	117	\$1,371	\$ 11.7555	\$1,304	\$ 11.1872
November	550	\$6,516	\$ 11.8446	\$6,066	\$ 11.0263
December	1,282	\$15,471	\$ 12.0699	\$14,102	\$ 11.0016
Totals	17,014	\$193,587	\$ 11.3783	\$187,147	\$ 10.9998

Monthly Spend



Assumptions

Usage volumes provided by Vineland Municipal for December 2015-November 2016 were used as the basis for this analysis. Savings estimate based upon the indicative fixed-price quote provided by Woodruff. This price, however, may be revised based on current market conditions. BGSS rates were estimate by taking the average difference of the BGSS commodity rates for January 2011 to November 2013 and the corresponding NYMEX settle price. The average difference was then added to Fellon-McCord's 2014 NYMEX settlement projections.