

RESOLUTION NO. 2019- 356

A RESOLUTION AWARDING AN OPEN-END CONTRACT TO DIRECT ENERGY BUSINESS MARKETING, LLC, ISELIN, NJ FOR SUPPLY OF NATURAL GAS FOR THE VINELAND MUNICIPAL UTILITIES SIMPLE CYCLE GAS TURBINES.

WHEREAS, the City of Vineland has heretofore advertised for bids for Natural Gas Supply to the South Jersey Gas Company citygate for the Vineland Municipal Utilities Simple Cycle Gas Turbines, (Howard M. Down, Unit #11 and Clayville Unit #1), for a period of two (2) years beginning September 1, 2019 ending August 31, 2021, with an option to extend for three (3) additional two (2) year terms, in accordance with specifications on file in the office of the Purchasing Agent; and

WHEREAS, on August 13, 2019, 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 August 20, 2019 submitted a written report and tabulation of the bids received and has recommended that an open-end contract for Natural Gas Supply for the Vineland Municipal Utilities Simple Cycle Gas Turbines, be awarded to Direct Energy Business Marketing, LLC, Iselin, NJ, in an estimated amount not to exceed \$6,500,000.00, said bid being the lowest bid received and considered in the best interest of the City of Vineland, as evaluated by the Electric Utility; now, therefore,

BE IT RESOLVED by the Council of the City of Vineland that said open-end contract for Natural Gas Supply to the South Jersey Gas Company citygate for the Vineland Municipal Utilities Simple Cycle Gas Turbines, (Howard M. Down, Unit #11 and Clayville Unit #1), for a period of two (2) years beginning September 1, 2019 ending August 31, 2021, with an option to extend for three (3) additional two (2) year terms, be awarded to Direct Energy Business Marketing, LLC, Iselin, NJ, in an estimated amount not to exceed \$6,500,000.00, said bid being the lowest bid received and considered in the best interest of the City of Vineland, as evaluated by the Electric Utility, 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;

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



August 20, 2019

REPORT TO: THE MAYOR AND COUNCIL

RE: Proposals Submitted to the Purchasing Board 8/13/19

Dear Mayor and Members of Council:

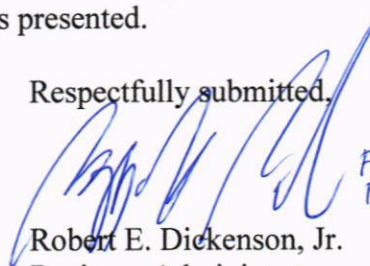
Submitted to you herewith for your consideration is our evaluation of the proposals submitted to the Purchasing Board on August 13, 2019.

NATURAL GAS SUPPLY TO THE SOUTH JERSEY GAS COMPANY CITYGATE FOR THE VINELAND MUNICIPAL UTILITIES SIMPLE CYCLE GAS TURBINES, (HOWARD M. DOWN, UNIT #11 AND CLAYVILLE UNIT #1)

It is the recommendation of the Director of Municipal Utilities, which has the concurrence of the Purchasing Agent and Business Administrator that an a contract be awarded to Direct Energy Business Marketing, LLC, Iselin, NJ, the lowest bidder as evaluated by the Electric Utility, in an estimated amount not to exceed \$6,500,000.00. Said contract is awarded, for a contract period of two (2) years beginning September 1, 2019 ending August 31, 2021, with an option to extend for three (3) additional two (2) year terms.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Robert E. Dickenson, Jr.", is written over the typed name. To the right of the signature, the initials "FOR RD" are written in blue ink.

Robert E. Dickenson, Jr.
Business Administrator

RD/wr



BID EVALUATION FORM

DEPARTMENT VMU Generation

Date: 8/14/2019

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

1. Bid Title: COV Bid 2019-25 Supply of Natural Gas
2. Amount to be Awarded: \$6,500,000
 Encumber Total Award
 Encumber by Supplemental Release
3. Engineer's Estimate: \$6,451,650
4. Amount Budget: \$ 6,500,000
5. Account Number to be Charged: 905555029001-53339 E547X
6. Date Bids Received: 8/13/2019
7. Date to be Awarded: 8/27/2019
8. Recommended Vendor: Direct Energy Business Marketing, LLC
9. Is Recommended Vendor the Apparent Lowest Bidder? Yes No

10. Comments/Special Instructions:

SMA 8/14/2019

11. Evaluation Performed by: Steven August, Principal Engineer

12. Approved By: *John Lullie 8-15-19*

jos 8-14-19 *John 8/14/19*

13. Attached: (Check-Off List)

- Tabulation of Bids
- Justification for Vendor Recommendation (if applicable)
- Evaluation Data (if applicable)

Send copies to:

Purchasing Division
Business Administration

PURCHASING AGENT REVIEW
COV BID # 2019-25

Proposals were received and opened Tuesday, August 13, 2019 at 2:00 PM for Supply of Natural Gas from the following:

Direct Energy: \$0.01 Day Ahead Adder
 \$0.075 Intraday Adder
 (\$0.05) Buy Back Adder

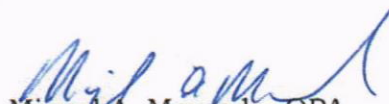
Publication Used: S&P Global Platts Gas Daily

UGI Energy: \$0.152 Day Ahead Adder
 \$(at market) Intraday Adder
 \$ +/- .10 Buy Back Adder

Publication Used: Platt's Transco Zone 6 Non-NY

Comments: Both bidders submitted all the mandatory documents.

Recommendation: I will defer the recommendation of award to the Using Department. It appears from the Day Ahead Adder only that Direct Energy provides the lowest bid but there are other items to be considered that I'm not familiar with that the User Department would be best to determine which bidder provides the overall lowest cost to the City.


Miguel A. Mercado, QPA
Purchasing Agent

TABULATION OF BIDS
COV BID 2019-25 SUPPLY OF NATURAL GAS
AUGUST 13, 2019

Engineers Estimate: \$ 6,500.00

	Direct Energy Bus. Mkt. LLC 194 Wood Ave. S., 2nd Fl. Iselin, NJ 08830	UGI Energy Services, LLC 835 Knitting Mills Way Wyomissing, PA 19610
Ownership Disclosure	YES	YES
Affir. Action Plan	YES	YES
Check List	YES	YES
Proposal	YES	YES
Ack. Addend.	YES	YES
Sec. 9.0 bidder respons.	*	*
Index Price	S&P Global Platts Gas Daily	Platts Transco Zone 6 Non-NY
Day Ahead adder/bases	\$0.010	\$0.152 **
Intraday adder/bases	\$0.075	At Market
Buy Back adder/bases	(\$0.050)	Plus or Minus .10 **

* to be evaluated by Electric Utility.

** Prices do not include tax

Specifications received by the following:

Colonial Energy
 Constellation
 Deltak
 Woodruff Energy