

ORDINANCE NO. 4179

AN ORDINANCE to authorize the City of Alexandria to become a member of and participate in the Virginia Governmental Electricity Purchasing Association.

WHEREAS, the VML/VACO Virginia Power Steering Committee (the Committee), composed of representatives of the City of Alexandria and other municipalities and political subdivisions of the Commonwealth, has for several decades negotiated on behalf of such governmental entities for their purchase of electricity from Virginia Power as a sole source provider; and

WHEREAS, Section 15.2-1300, et seq. of the Virginia Code (the Joint Powers Act) authorizes political subdivisions to exercise jointly powers they otherwise are authorized to exercise independently, under the terms and conditions set forth in the Joint Powers Act; and

WHEREAS, the Electric Utility Restructuring Act (the EUR Act) further authorizes municipalities and other political subdivisions in the Commonwealth to aggregate their electricity supply requirements for the purpose of their joint purchase of such requirements from licensed suppliers, and the EUR Act provides that such aggregation shall not require licensure; and

WHEREAS, the Virginia Public Procurement Act (the Procurement Act) exempts from its competitive sealed bidding and competitive negotiation requirements (the Procurement Act Requirements) the joint procurement by public bodies, utilizing competitive principles, of electricity supply purchased through member associations under the conditions set forth in the Procurement Act; and

WHEREAS, the Committee has voted unanimously to fund an effort to aggregate local governmental purchase of up to approximately 117,000,000 kWh of annual electricity supply (the Supply) from competitive licensed suppliers during a pilot period commencing no earlier than January 1, 2001, and extending through no later than December 31, 2002 (the Pilot Period); and

WHEREAS, the Committee recommends (i) the aggregation and joint procurement of the Supply as provided in the form of the Joint Powers Association Agreement, a copy of which is attached to and made a part of this ordinance (the Joint Powers Agreement); (ii) that one or more requests for proposals (RFP) be issued requesting licensed suppliers (the Proposers) to submit proposals (the Proposals) to furnish the Supply to the interval accounts (the Accounts) selected by the Proposers from among approximately 200 interval accounts of the municipalities and other political subdivisions that presently purchase electricity

supply from Virginia Power; (iii) that for the Accounts selected, approximately 30% of the kWh shall be for schools on Virginia Power's Rate Schedules 100 and 110 and approximately 70% of the kWh shall for non-schools on its Rate Schedule 130; and (iv) that a contract or contracts for the furnishing of the Supply be awarded to the Proposer (or Proposers) by considering which Proposals (a) best meet the requirements and conditions of the RFP; (b) offer the greatest dollar savings for the aggregated group as a whole; and (c) offer a price for each Account selected that is projected to be lower than the projected price that would otherwise obtain applying the Virginia Power supply rate under which the Account would otherwise be served; and

WHEREAS, the Committee has agreed to provide funds from its operating budget in an amount not to exceed \$40,000 to pay the fees and expenses of its counsel, Christian & Barton, L.L.P, and its utility consultant, the Columbia Group, to prepare the documents necessary for the aggregation, the RFP process, the evaluation of the Proposals, and the award and execution of the contract or contracts on behalf of the municipalities and political subdivisions owning the Accounts for which the Supply will be furnished; and

WHEREAS, the Committee recommends that the municipalities and political subdivisions participating in the aggregation process agree to contribute back to the Committee's budget up to 25% of the estimated savings projected to be realized with respect to such of their Accounts, if any, for which the Supply is to be furnished during the Pilot Period, provided that the aggregate of such contributions back to the Committee shall not exceed \$40,000; and

WHEREAS, the Committee recommends that the aggregation and procurement of the Supply for the Pilot Period be effectuated as provided in the Joint Powers Agreement utilizing competitive principles pursuant to an exemption from the Procurement Act Requirements; and

WHEREAS, the procurement of the Supply through the Joint Powers Agreement is structured such that the projected costs of the electrical energy requirement of the City of Alexandria can only be less than such costs would otherwise be under otherwise applicable rates, and it has heretofore been determined on behalf of the City of Alexandria that competitive sealed bidding and competitive negotiations by the City of Alexandria for such of the Supply as may be applicable to any of its Accounts are not fiscally advantageous to the public; and

WHEREAS, it appearing to the Council of the City of Alexandria that the joint procurement of the Supply pursuant to the Joint Powers Agreement is otherwise in the best interests of The City of Alexandria; now, therefore,

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That the aggregation and joint procurement of the Supply during the Pilot Period pursuant to the Joint Powers Agreement be, and hereby is, approved.

Section 2. That the Joint Powers Agreement and the performance of the terms and conditions thereof on behalf of The City of Alexandria be, and hereby are, authorized and approved.

Section 3. The City Manager be, and hereby is, authorized and directed to execute and deliver the Joint Powers Agreement on behalf of The City of Alexandria in substantially the form attached to this ordinance.

Section 4. That the return to the Committee of up to 25% of any savings projected to be realized by The City of Alexandria on any of its Accounts, as provided in and subject to the overall limitation set forth in the Joint Powers Agreement be, and hereby is, authorized and approved.

Section 5. The payment obligations of The City of Alexandria pursuant to the provisions hereof and the Joint Powers Agreement shall be subject to the annual appropriation of requisite funds therefor by the Council of the City of Alexandria.

Section 6. That this ordinance shall be effective upon the date and at the time of its final passage.

KERRY J. DONLEY
Mayor

Attachment

Introduction:	12/12/00
First Reading:	12/12/00
Publication:	12/14/00
Public Hearing:	12/16/00
Second Reading:	12/16/00
Final Passage:	12/16/00