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**ADOPTED – BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
JULY 7, 2016**

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS**

**ELECTRICITY PURCHASE CONTRACT
LOCK-IN AGREEMENT APPROVAL & AUTHORITY
CONSTELLATION ENERGY SERVICES, INC.
OFFICE OF ADMINISTRATIVE AND PROCUREMENT SERVICES
DISTRICT WIDE**

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to execute an agreement with Constellation Energy Services, Inc. to provide an estimated 55,659,278 kWh of electricity power and consulting services, for the period from December 1, 2016 through December 31, 2018, at a total annual cost not to exceed \$2,133,420.13.

VENDOR: Constellation Energy Services, Inc.
20 North Wacker Drive Suite 2100
Chicago, Illinois 60606

USER: District Wide

TERM:

The term of the agreement with Constellation Energy Services shall begin on December 1, 2016 and continue through December 31, 2018.

SCOPE OF SERVICES:

Constellation Energy Services will continue to supply electricity and manage the City Colleges account. Electricity supply pricing has trended downward and is currently near a historic six year low. The Office of Administrative Services has been closely tracking electricity prices with its supplier, Constellation Energy Services, and has determined that this is an opportune time to lock-in an electricity price. The Vice Chancellor for Administrative Services was granted continuing authorization to sign lock-in pricing contracts with Constellation Energy Services (previously Integrys Energy Services) pursuant to Board Reports 29665 and 29518, authorizing

approval of utility contracts when pricing is advantageous based on utility contracts being exempt from competitive bidding.

The total cost of \$2,133,420.13 is based on the lock-in rate of \$0.03833 per kWh and the full kWh usage in FY2015, as well as the consulting services of subcontractor RLD Resources, LLC at a monthly rate of \$4,800 which includes but is not limited to budget preparation support, energy bill auditing, utility rate analysis, and tracking of the budget to actual utility spend for all City Colleges of Chicago facilities.

BENEFIT TO CITY COLLEGES OF CHICAGO:

These services will provide a level of budget certainty to the City Colleges of Chicago facilities District Wide in its purchase of electricity. Based on usage, it is anticipated that City Colleges will save in excess of \$370,000 per year on the supply side of electricity procurement. The District also reports the payments of utilities each month to the Board through the Utility, Postage and Other Monthly Expenditures Summary.

VENDOR SELECTION CRITERIA:

The contract being utilized as a part of the joint purchasing agreement has been advertised and awarded in accordance with the procurement procedures of the City of Chicago, Contract PO# 29707 and Modification #297071, #297072 and #297073. Pursuant to State law, contracts for goods and services procured from another governmental entity are exempt from the District’s competitive bidding requirements. Also, Constellation Energy Services is the natural gas supplier for the Chicago Public Schools, the State of Illinois, and Chicago Housing Authority.

MBE/WBE COMPLIANCE:

The Office of Contract Compliance has reviewed the proposed transaction and recommends a full waiver of the WBE goal and a partial waiver of the MBE participation goal.

<u>Vendor</u>	<u>MBE or WBE</u>	<u>%</u>	<u>Participation</u>	<u>Certifying Agency</u>
RLD Resources, LLC 333 N. Michigan Ave. Chicago, IL 60601	MBE	2.5	Direct	City of Chicago

GENERAL CONDITIONS:

Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article 2, Section 2.7.4(b) of the Board Bylaws.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable

provisions of the Board's Ethics Policy adopted January 7, 1993, and as amended by the Board.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community College Act, all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL:

Total FY17 – 19: \$2,133,420.13 Annually

Charge to: District Wide

Source of Funds: O&M Find

FY17: 573000-05501-0005031-70000
573000-05501-XX70800-70000

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

July 7, 2016 – Office of Administrative and Procurement Services