

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Consumers Energy Alternate Power Contracts

**Manager's Recommendation:**

I recommend that the five contracts with Consumers Energy be approved for a five-year period and that a purchase order in the amount of \$10,319.00 be issued for Fiscal Year 2007-08, and that purchase orders for \$10,319.00 be issued for each subsequent Fiscal Year through 2012. The contracts are approved as to substance by the City Manager and the City Attorney as to form. It is further recommended that City Council authorize the City Manager or his designee to sign the contracts.

This vendor meets all requirements of the Contract Compliance Provisions, Title 1, Chapter 14, §14.35 – 14.44, of the Saginaw Code of Ordinances.

The funds are available in the Sewer Operation and Maintenance Account No. 590-4835-861.80-31.

**Justification:**

The Wastewater Treatment Division operates and maintains seven Retention Treatment Basins (RTBs) designed to treat stormwater flows in excess of the treatment capacity of the Wastewater Treatment Plant. The Plant's National Pollutant Discharge Elimination System Permit requires that all of the Division's facilities have alternate power sources. Two of the RTBs have diesel powered pumps which fulfill this requirement. However, the other five RTBs rely on an alternate electrical feed source provided by Consumers Energy. Consumers Energy has adopted a policy that requires any facility with an alternate power source to pay an annual maintenance service fee for this power.

There is a separate contract for each RTB with the affiliated cost directly proportional to the alternate power demand required by that facility. The contracts cover a period of five years beginning immediately with signing. The total cost per year for all five RTBs is \$10,319.00 or a total of \$51,595.00 over the five year period of the contracts.

**Council Action:**

Council \_\_\_\_\_ moved that the recommendation of the City Manager be approved.