

RESOLUTION NO. 2014-561

A RESOLUTION AWARDING AN OPEN-END CONTRACT TO PPL ENERGY PLUS LLC, ALLENTOWN, PA FOR THE SUPPLY OF NATURAL GAS FOR THE VINELAND MUNICIPAL ELECTRIC UTILITY – GENERATION DIVISION, IN AN AMOUNT OF \$7,490,050.00.

WHEREAS, the City of Vineland has heretofore advertised for bids for the Supply of Natural Gas for the Vineland Municipal Electric Utility – Generation Division, for a period of twenty-four (24) months beginning September 1, 2015 with an option for an additional twenty-four (24) months, in accordance with specifications on file in the office of the Purchasing Agent; and

WHEREAS, on November 25, 2014, 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 December 16, 2014 submitted a written report and tabulation of the bids received and has recommended that an open-end contract for the Supply of Natural Gas for the Vineland Municipal Electric Utility – Generation Division, for a period of twenty-four (24) months beginning September 1, 2015 with an option for an additional twenty-four (24) months, be awarded to PPL Energy Plus LLC, Allentown, PA, in the amount of \$7,490,050.00, said bid being the lowest bid received, based on evaluation by the Electric Utility, 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 the Supply of Natural Gas for the Vineland Municipal Electric Utility – Generation Division, for a period of twenty-four (24) months beginning September 1, 2015 with an option for an additional twenty-four (24) months, be and the same is awarded to PPL Energy Plus LLC, Allentown, PA, on their bid in the amount of \$7,490,050.00, said bid being the lowest bid received, based on evaluation by the Electric Utility, 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



December 16, 2014

REPORT TO: THE MAYOR AND COUNCIL

RE: Proposals Submitted to the Purchasing Board 11/25/14, 12/2/14 & 12/9/14

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 November 25, December 2, and December 9, 2014.

THE COMPLETION OF OLD PLANT STACK DEMOLITION & ELEVATOR SHAFT STABILIZATION FOR THE VINELAND MUNICIPAL ELECTRIC UTILITY – GENERATION DIVISION

It is the recommendation of the Director of Municipal Utilities, which has the concurrence of the Assistant Business Administrator and the Purchasing Agent that a contract be awarded to the low bidder, Richard E. Pierson Const. Co. Inc., Pilesgrove, NJ, in the amount of \$143,230.00 plus a contingency in the amount \$21,484.50 for a total amount of \$164,714.50.

THE FURNISHING AND DELIVERY OF SEVEN (7) 2015 AWD SUV VEHICLES FOR THE VINELAND POLICE DEPARTMENT

It is the recommendation of the Police Chief, which has the concurrence of the Assistant Business Administrator and the Purchasing Agent that a contract be awarded to the only bidder, Winner Ford, Cherry Hill, NJ, in the amount of \$304,637.00.

SUPPLY OF NATURAL GAS FOR THE VINELAND MUNICIPAL ELECTRIC UTILITY – GENERATION DIVISION, FOR A PERIOD OF TWENTY-FOUR (24) MONTHS BEGINNING SEPTEMBER 1, 2015 WITH AN OPTION FOR AN ADDITIONAL TWENTY-FOUR (24) MONTHS

It is the recommendation of the Director of Municipal Utilities, which has the concurrence of the Assistant Business Administrator and the Purchasing Agent that an open-end contract be awarded to the low bidder, based on evaluation by the Electric Utility, PPL Energy Plus LLC, Allentown, PA, in the amount of \$7,490,050.00.

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

Respectfully submitted,

Robert Dickenson
Assistant Business Administrator

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BID EVALUATION FORM

DEPARTMENT E.U. Generation

Date: 12/15/2014

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

1. Bid Title: Open End Purchase and Supply of Natural Gas
2. Amount to be Awarded: \$7,490,050
 - Encumber Total Award
 - Encumber by Supplemental Release
3. Engineer's Estimate: \$7,375,000
4. Amount Budget: \$ Budget Year 2015
5. Account Number to be Charged: 002-0-54-90-9001-2-7023339 **E547X**
6. Date Bids Received: 11/25/2014
7. Date to be Awarded: 12/23/2014
8. Recommended Vendor: PPL Energy Plus LLC
9. Is Recommended Vendor the Apparent Lowest Bidder? Yes No
10. Comments/Special Instructions:
11. Evaluation Performed by: Steve August, Assistant Engineer *SMA 12/15/14* *John 12/15/14* *August 12/15/14*
12. Approved By: *[Signature]*
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

1)	Assume higher heating value, or calorific value of natural gas is approximately	Btu/CF	1,000
2)	1MCF = 1,000 CF		
3)	1 MCF = approximately 1 Dth (Decatherm) = 10 Therm		
4)	1 Therm = 100,000 Btu		
5)	1 Dekatherm (Dth) = 1,000,000 Btu	MWn	
6)	Both Unit #11 & Clayville Unit #1 have a nominal generating capacity of	Dth	60
7)	Both Unit #11 & Clayville Unit #1 have a maximum hourly demand of	Dth	590
8)	Yearly operating hours based on available Unit #11 data	CF/hr	590,000
	Each unit to operate on natural gas approximately 1,250 hours per year.		
9)	MMCF = 1 million cubic feet		
10)	BTU content 1,000 BTU per cubic feet. (standard range 1,035 +/- 50 Btu/cu. Ft.)		

Total for both units = 2,500 hrs/yr						MWn generated
% total hr.	Month	Hours	Dth	Cu. Ft.	MMCF	
4.0	January	100.0	59,000	59,000,000.0	59.0	6,000.0
3.8	February	95.0	56,050	56,050,000.0	56.1	5,700.0
3.4	March	85.0	50,150	50,150,000.0	50.2	5,100.0
0.5	April	12.5	7,375	7,375,000.0	7.4	750.0
14.7	May	367.5	216,825	216,825,000.0	216.8	22,050.0
11.7	June	292.5	172,575	172,575,000.0	172.6	17,550.0
22.3	July	557.5	328,925	328,925,000.0	328.9	33,450.0
19.8	August	495.0	292,050	292,050,000.0	292.1	29,700.0
9.8	September	245.0	144,550	144,550,000.0	144.6	14,700.0
5.2	October	130.0	76,700	76,700,000.0	76.7	7,800.0
3.1	November	77.5	45,725	45,725,000.0	45.7	4,650.0
1.7	December	42.5	25,075	25,075,000.0	25.1	2,550.0
100.0	Total	2,500.0	1,475,000	1,475,000,000.0	1,475.0	150,000.0

2,000 hrs x 590 Dth/hr = 1,180,000 Dekatherms

Estimated \$/Dth = \$ 5.00

Yearly Total Base Cost Estimate = \$7,375,000.00

Yearly Contract Total = Total Base Cost + Total Adder Cost =

	Estimate	PPL	SJG	Colonial
			*average	
Day Ahead Cost Adder (\$/Dth) =	\$0.01	0.01	0.12	0.03
			*exceptions	
Intraday Cost Adder (\$/Dth) =	\$0.06	0.095	0.135	\$ not bid
% of Total Usage Purchased Day Ahead =	20%	20%	20%	20%
% of Total Usage Purchased Intraday =	80%	80%	80%	80%
Yearly Total Adder Cost =	\$ 73,750.00	\$ 115,050.00	\$ 194,700.00	bid rejected
Yearly Contract Total = Total Base Cost + Total Adder Cost =	\$7,448,750.00	\$7,490,050.00	\$7,569,700.00	bid rejected

TABULATION OF BIDS
SUPPLY OF NATURAL GAS
NOVEMBER 25, 2014



Go Back

Engineers Estimate: \$ 7,404,500.00

Revised 11/25/14

	PPL Energy Plus LLC 2 N. 9th St. Allentown, PA 18101	SJ Energy Co 1 N. Whitehorse Pk. Hammonton, NJ 08037	Colonial Energy Inc. 3975 Fair Ridge Dr. Fairfax, VA 22033
BB, CAC, CEC	BB - \$10%	BB \$10%	CAC \$20,000.00
Stock Discl.	YES	YES	YES
Affir. Action Plan	YES	YES	YES
Non-Coll.	YES	YES	YES
Check List	YES	YES	YES
Proposal	YES	YES	YES
Ack. Addend.	YES **	YES	YES
Sec. 9.0 bidder respons.	*	*	*
Index Price	Transco 26 Non-NY	Platts Transco 6 NNY GDA	Platts Daily
Day Ahead adder/bases	\$0.010	+ .155 winter / +.085 Sum.	See attached per company
Intraday adder/bases	\$0.095	See attached per company	Pricing formula
Buy Back adder/bases	(\$0.050)	See attached per company	and structure

* to be evaluated by VMEU ¶ personnel

** PPL Energy Plus LLC signed the Acknowledgment of Receipt of Addenda, but stated they did not receive one on the form submitted. Our records indicated they received it.

Company called and they did receive the addenda. They are sending a revised form.

Specifications received by the following:

- Shell Energy Norht Amer. (US), L.P.
- Hess Energy Inc.
- Mansfield Oil Co. of Gainesville
- Great Eastern Energy
- Direct Energy Bus. Marketing LLC
- Broadway Energy Group
- Woodruff US LLC
- Burlew Mechanical
- Falasca Mechanical Inc.
- Air Control Technology

Cont'd

The purpose of this specification is to provide a contract to supply natural gas fuel to the Vineland Municipal Electric Utility for use as the primary fuel source for both the Howard M. Down Unit #11 & clayville Unit #1 combustion turbines. The base contract term is two (2) years, and there is an optional Two (2) year Extension. The estimated yearly cost is \$4,720,000.00.
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