



Elgin City Council Meeting Agenda Item Executive Summary

ITEM: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELGIN, TEXAS TO AUTHORIZE EXECUTION OF AN AGREEMENT WITH THE LOWEST RESPONSIBLE BIDDER THAT WILL PROVIDE ELECTRICAL ENERGY FOR THE CITY OF ELGIN BEGINNING ON OR ABOUT DECEMBER 1, 2023 AT THE LOWEST GUARANTEED RATE BY THE SELECTED BIDDER.

DEPARTMENT: Finance and Administration

PROPOSED ACTION: Consider proposed resolution for adoption

BACKGROUND: On February 6, 2018 the City Council authorized execution of an Agreement with Reliant Energy to provide electric service for a period of five years at a price that was more than 20% below the previous Agreement with CON ED. In looking further into the future, it would appear that prices may will follow the demand curve upward, so it would be in the City's interest to take advantage of the current futures market to lock in a lower price now.

Our Broker is getting quotes for rates that providers are willing to lock in after our current contract expires in 2023. If they remain competitive as they have been recently, staff will recommend that we enter into an Agreement with the lowest competitive bidder for a term that will be most advantageous to the City.

Bids will be refreshed on Tuesday, January 8th and the results will be provided at the meeting for consideration by the Council.

BUDGET/FINANCIAL IMPACT:

Funding for this item was { } included { } not included in the current-year budget {X} N/A

RECOMMENDATION: Recommended for adoption

ATTACHMENTS: Resolution to authorize approval of the agreement to be executed by the Mayor. The bid sheet and a contract from the most competitive bidder will be provided at the Council meeting.

{X} Staff will be making a detailed presentation on this agenda item at the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.