CITY OF ZANESVILLE
401 Market Street
Second Floor, Room 228
Zanesville, OH 43701

NOTICE TO BIDDERS

Sealed bids will be received in the Public Service Department, City of Zanesville, 401 Market Street, Second Floor, Room 228, Zanesville, OH 43701, until 4:00 P.M. EST on October 15, 2020 and immediately opened for:

City of Zanesville City Facilities Full Requirements Retail Electric Generation Supply

Bid forms & specifications may be obtained at the Public Service Department office (at the above address) or may be viewed at the following website: www.coz.org

The right is reserved to reject any or all bids and waive all technicalities.

BY ORDER OF THE CITY OF ZANESVILLE, OHIO
CITY COUNCIL AND PUBLIC SERVICE DIRECTOR

REQUEST FOR COMPETITIVE SEALED PROPOSAL

Date: September 8, 2020

Subject: Request for Competitive Sealed Proposal – City of Zanesville, Ohio
City Facilities Full Requirements Retail Electric Generation Supply

To: Prospective Bidders:

The City of Zanesville, Ohio (the "City") is requesting proposals for Full Requirements Retail Electric Generation Supply from qualified PUCO-certified competitive retail electric suppliers for its facilities located on AEP Ohio's Ohio Power Company ("AEP Ohio") system. The 12 months electrical consumption for the City facilities through May 2020 was 14,577,488 kWh. The City's bond rating is A-1 by Moody's.

If you are interested in reviewing the Request for Competitive Sealed Proposal, please download from the City's website at www.coz.org. If you are unable to download the document, please contact City's Public Service Director, Attention: Scott Brown at (740) 617-4910 to obtain a copy.

- The prospective bidder(s) intent to submit a proposal must be received by **October 2, 2020** at **4:00 P.M. EST** and addressed as noted below. The City has had 12 months' consumption, rate code, account number, PLC and other data prepared for the City's accounts that are included as Attachment A in this Request for Competitive Sealed Proposal. Attachment A will be provided to each prospective bidder which files an intent to submit a proposal with the City, and should be sufficient for bidders to submit proposals. If additional account information is needed by prospective bidder(s) which submit an intent to submit a proposal, the bidder(s) may request the City to provide a letter of authorization to such prospective bidder(s) to enable such prospective bidder(s) to obtain the City's consumption data from the City's electric distribution utility, AEP Ohio.
- The prospective bidder(s) form of contract, bid guaranty and contract bond, and financial security must be received by **October 8, 2020 at 4:00 P.M. EST,** and addressed as noted below.
- Competitive Sealed Proposals for providing City Facilities Full Requirements Retail Electric Generation Supply are due **October 15, 2020 at 4:00 P.M. EST.** The label for the proposals must be addressed as follows:

  City of Zanesville
  401 Market Street
  Second Floor, Room 228
  Zanesville, OH 43701

  City of Zanesville, Ohio – City Facilities Full Requirements Retail Electric Generation Supply
  Attn: Scott Brown, Public Service Director

Questions regarding the City's Request for Competitive Sealed Proposal may be addressed via e-mail to Scott Brown at scott.brown@coz.org.

Sincerely,

Scott Brown, Public Service Director

SUMMARY

This Request for Competitive Sealed Proposal ("CSP") is being issued to the companies listed on the qualified Public Utilities Commission of Ohio ("PUCO") certified competitive retail electric list serving AEP Ohio's commercial and industrial customers ("Suppliers" or "CRES") on September 1, 2020. The last 12 months year electrical consumption for the City included in this prospective bidder's CSP was 14,577,488 kWh. The prospective bidder(s)' intent to submit a proposal must be received by the City by **October 2, 2020 at 4:00 P.M. EST. The form of contract, bid guaranty and contract bond, and financial security must be received by the City by October 8, 2020 at 4:00 P.M. EST.** The Competitive Sealed Proposals for providing these services will be received until **4:00 P.M. EST** on **October 15, 2020**.

Sealed Proposals are to be delivered to:

City of Zanesville
401 Market Street
Second Floor, Room 228
Zanesville, OH 43701

City of Zanesville, Ohio - City Facilities Full Requirements Retail Electric Generation Supply
Attn: Scott Brown, Public Service Director

Late submittals will not be considered. Questions regarding this CSP shall be directed to Scott Brown by calling (740) 617-4910 or at scott.brown@coz.org. This CSP is organized as follows:

SECTION I. INTRODUCTION
SECTION II. SCOPE OF SERVICES
SECTION III. GENERAL REQUIREMENTS
SECTION IV. QUALIFICATIONS AND EXPERIENCE
SECTION V. PROPOSAL SUBMISSION REQUIREMENTS

ATTACHMENTS
ATTACHMENT A: 12 MONTH CITY CONSUMPTION AND DETAILED RELATED CITY ACCOUNTS INFORMATION (Bidder must submit intent to submit bid to the City by October 2, 2020 to receive)
ATTACHMENT B: REQUIRED DELIVERABLES TO CITY

SECTION I. INTRODUCTION

Background Information:

Zanesville is a city and the county seat of Muskingum County, Ohio and with roots dating back to 1799, and is located 52 miles east of Columbus. In 2018, its estimated population was 25,364. For more information on the City of Zanesville, please visit www.coz.org.

The City is an Ohio municipal corporation within the meaning of Section 705.05 of the Ohio Revised Code. For the products and services described in this document, the City is seeking Offers in the form of Competitive Sealed Proposals ("CSP") under Section 705.05 of the Ohio Revised Code and would like to encourage your organization to participate in this process. You will find the CSP requirements and full instructions for submitting your Offer in this document and in Attachments A and B.

The City will evaluate offers, conduct negotiations, and, where appropriate at its sole discretion, award contracts, all in the manner required by law and consistent with the City's policies and procedures.

The City is requesting proposals for the City's Facilities Full Requirements Retail Electric Generation Supply from qualified PUCO-certified competitive retail electric suppliers ("Suppliers" or "CRES") for its facilities on AEP Ohio's ("AEP") system. The 12 month (ending May 2020) electrical consumption for City's facilities was 14,577, 488 kWh.

A list of the City's accounts, including account number, service location, utility rate class, zone, capacity /transmission tags, estimated meter read start date, annual historical usage, and estimated monthly contract quantity is available when the prospective bidder submits an intent to submit a bid to the City. (Attachment A).

Purpose: The City is requesting proposals for the following service:

Product: Full Requirements Retail Electric Generation Supply Product. This will be the same product as procured by AEP Ohio in its PUCO approved electric generation competitive bid auctions for its electric security plan currently in effect, including all applicable energy, capacity, ancillary services, firm transmission service, transmission and distribution losses, congestion and imbalance costs associated with the provision of the foregoing, other obligations or responsibilities imposed or that may be imposed by PJM, and such other services or products that are provided by a CRES supplier to fulfill its obligations to serve customer load, as required by Ohio law. The Product includes all of AEP Ohio's transmission and distribution line losses and cost of compliance with Ohio's renewable portfolio standards. The Supplier is responsible for all taxes, including the commercial activity tax, associated with its sale of the Product to the City.

Term: The City requests one, two and three year proposals as follows:

From on or about the April, 2021 meter reading date(s): for the one year period until the April, 2022 meter reading date (s); for the 2 year period until the April, 2023 meter reading date (s); and for the 3 year period until the April, 2024 meter reading date(s).

Delivery Point: AEP Zone, as required by AEP Ohio for CRES service delivered to the City's sites.

SECTION II. SCOPE OF SERVICES

The City seeks a competitive Full Requirements Retail Electric Generation Supply price for the City per kWh that is substantially less than the AEP Ohio's standard service generation offer price for the period from on or about the April, 2021 meter reading date(s) through as long as the April, 2024 meter reading date(s).

The Proposal shall include:

a. Rates per kWh for the Product for each of the above one, two and three year periods expressed as a fixed price in cents per kWh for the Full Requirements Retail Electric Generation Supply as described above.

SECTION III. GENERAL REQUIREMENTS

Full Requirements Service

Of primary concern to the City is the ability of the Supplier to deliver full requirements reliable firm electricity generation supply to the City's sites meeting all specifications on a timely basis and in the quantities necessary to meet all of the City's consumption needs, consistently during the term of the contract.

Documentation of Experience and Financial Ability/Credit Support

All proposers must document that the Supplier has a successful record of providing similar quantities of electricity to other commercial and industrial users in the AEP Ohio electric distribution utility service territory. The City also requires audited financial statements to insure that a proposer has adequate financial resources to successfully carry out the requirements of the proposed agreement. The proposer must identify the Moody's, S&P and/or Fitch credit rating of the legal entity that is the Supplier under the proposed contract. If the legal entity that is the Supplier under the proposed contract is not rated by such credit ratings agencies, or is not rated investment grade by such credit ratings agencies, the Supplier must also provide a corporate Guaranty from a parent or affiliated company that has an investment grade credit rating from Moody's, S& P and/or Fitch guaranteeing all of the obligations to be performed by Supplier. In addition, Supplier must provide security for Supplier's performance as described later in this document in the Section entitled **Security for Supplier's Performance**.

Indemnification

Any contract resulting from this request shall indemnify, keep and save harmless the City and its respective officers, agents, and employees against all suits or claims that may be based upon any injury to persons or property that may arise out of any negligent act of the Supplier, its employees, agents, subcontractors, or other representatives. The selected Supplier shall also, at its own expense, satisfy and cause to be discharged such judgments as may be obtained against the City or any of its officers, agents or employees due to the Supplier's negligent acts.

Affirmative Action / Buy Local/Buy American

Affirmative Action / Buy Local and Buy American forms shall be completed and included in the proposal.

Proposal Prices Required

The City requires proposals for the Product expressed as a fixed price in cents per kWh, for one, two and three year periods, inclusive of all energy supply administrative services and all other elements of the Product (as defined in Section I) to deliver the Full Requirements Retail Electric Generation Supply to the Delivery Point. Supplier also must provide the financial ability/credit support described in this document.

Energy Supply Management Services

Energy supply administrative services include the responsibility for managing the City's electric generation supply for its facilities included in this CSP. The Supplier will assume responsibility for any charges, real time pricing, penalties, or "cash-out" credits or charges, resulting from the Supplier's inability to provide adequate electric supplies or manage the City's accounts effectively.

Proposals shall include a contractual remedy provision assuring that the City will be reimbursed and made whole in full by the Supplier for any charges, fees, penalties or incremental electric costs resulting from the Supplier's inability to provide the City's full requirements or manage the City's accounts effectively.

The Supplier will have access to the City's consumption at all its sites and will be required to manage all aspects of the City's electric supply needs for each of these facilities. The Supplier must be able to monitor the City's consumption to balance supply nominations with consumption. THIS IS A FULL REQUIREMENTS RETAIL ELECTRIC GENERATION SUPPLY CONTRACT.

The City will make reasonable efforts to notify the Supplier of any extraordinary occurrences that may affect the original estimated usage. The Supplier will be responsible for making all scheduling nominations and changes required to provide Full Requirements Retail Electric Generation Supply to the City.

Generation Supply

The generation cost per kWh shall include all costs associated with delivering the Full Requirements Retail Electric Generation Supply Product (defined in Section I) to the meter of each account at the City's sites, excluding AEP Ohio's standard tariff distribution charges to the City.

Point of Delivery

The point of delivery for electricity for the purpose of a proposal shall be the point of delivery into the AEP Ohio distribution system for the City's sites including all transmission and distribution line losses.

Purchase and Sale

The successful Supplier will be responsible for any incremental cost of electricity, purchased from other vendors, as a result of the successful Supplier's failure to provide electricity to any and all of the City's sites in a timely manner and in sufficient quantities to meet any and all of the City's electric consumption requirements at the sites.

Supply/Transmission

The successful Supplier shall be expected to deliver all of the City's electricity requirements during the term of the contract. Actual quantities may be more or less than those estimated and the Supplier shall be expected to supply all needed electricity at a fixed price per kWh, basis without interruption. The Supplier shall be obligated to supply electricity in a volume equal to the City's actual usage absent a declared force majeure.

Force Majeure

All obligations of the parties to this Agreement (except for the payment of money for electricity delivered) shall be suspended while, and for so long as, compliance is prevented in whole or in part by an act of god, strike, lockout, war, civil disturbance, explosion, breakage, accident to machinery or transmission lines, failure of substations or sources of electricity, federal, state or local law, inability to secure materials or right of way, or permits or approvals or licenses, binding order of a court or governmental agency, the failure, inability or refusal of any transmission line or local distribution company to accept electricity for delivery, or otherwise transport, the default of any party to other contracts (other than the City or the Supplier), or by any other cause beyond the reasonable control of the City or the Supplier. Supplier shall use their best efforts to resolve any interruption in service as quickly as possible.

No part of this Force Majeure clause shall be construed to provide for the discontinuance of electricity delivery by the Supplier due to electricity not being available at a favorable cost to the Supplier. The Supplier shall be obligated to provide electricity to the City, subject to other provisions of the Agreement, at the agreed price, without regard to the electricity cost to the Supplier. Ability of the Supplier to realize a profit on the electricity transaction shall not be considered as a Force Majeure condition.

Billing and Method of Payment

The successful proposer must make arrangements with AEP Ohio to include the CRES billing for electric service in AEP Ohio's monthly bills and for AEP Ohio to collect the payment on CRES's behalf, which will avoid any administrative processing time or cost for the City. Each invoice from AEP Ohio reflecting the Supplier's generation charges will contain the following minimum information: Service period, number of kWh used and total dollar amount.

Invoices are to be sent to: City of Zanesville
401 Market Street
Second Floor, Room 228
Zanesville, OH 43701

Attn: Scott Brown, Public Service Director

Contract

A sample contract must be submitted to the City on or before October 8, 2020.

Security for Supplier's Performance

The Supplier shall provide a surety bond in its sealed proposal. If the legal entity that is the Supplier under the proposed contract is not rated by Moody's S&P and/or Fitch credit ratings agencies, or is not rated investment grade by such credit rating agencies, the Supplier must also provide a corporate Guaranty from a parent or affiliated company that has an investment grade credit rating from Moody's S&P and/or Fitch guaranteeing all of the obligations to be performed by Supplier. In addition, the Supplier shall provide a bid guaranty and contract bond, letter of credit or corporate guarantee, in form and substance acceptable to the City, in an amount sufficient to secure payment to the District of the estimated difference between the AEP Ohio standard service offer price to compare for the agreed upon contract term period commencing on or after the April , 2021 meter reading date and the Contract price agreed upon by the City and the Supplier in the event of Supplier's non-performance of the Contract. **A copy of Supplier's proposed security document must be submitted to the City by the Supplier on or before October 8, 2020. A proposal submitted without this requirement will not be considered.**

Submission of Responses/Deliverables

a. Due by **October 2, 2020**

- Intent to submit a proposal(to receive Attachment A)
- Request for Letter of Authorization (LOA) for the City's consumption data from AEP Ohio, if required.

b. Due by **October 8, 2020**

- Sample contract, bid guaranty and contract bond (Guaranty, if necessary) and sample form of financial security must be included.

c. Due by **October 15, 2020**

- Proposal Summary and Cost proposal for the City's full requirements quantity of electricity, estimated in Attachment A.
- Company Narrative (Bidder's form). The Supplier shall include information regarding the company; years in business; its principals; and its experience in supplying electricity customers. The proposer shall provide a list of at least five (5) electric customers of similar size and usage characteristics as the City.
- Prices per kWh, beginning with the **April, 2021** meter read date(s): for the one year period until the **April, 2022** meter read date(s); for the two year period until the

April, 2023 meter read date(s); and for the three year period until the **April, 2024** meter read date(s). These prices shall remain open for acceptance by the City for a period of three (3) business days from the October 8, 2020 submission of responses date.

- Estimated annual and contract term savings.
- Five (5) years minimum experience in electricity supply and delivery.
- Qualifications and Experience from Section IV.
- All forms required and completed from Section V (including Attachment B).
- Forms required and completed (See Attachment B for all deliverables).

Prior Experience

In order for offers to be considered responsive, Suppliers must meet these minimum prior experience requirements:

- Most Current Audited Financial Statements
- Minimum five (5) years in electricity supply and delivery
- Current certification by the PUCO as a CRES provider

A Supplier's failure to meet these minimum prior experience requirements will cause its proposal to be considered non-responsive and the proposal will be rejected.

SECTION IV. QUALIFICATIONS & EXPERIENCE

Supplier Qualifications

Identify the qualifications that you bring to this contract. Explain what differentiates your services from others in the market.

Prior Experience

Describe the adequacy of staff, equipment, research tools and administrative resources; quality and appropriateness of technical or support staff; and past performance of the organization relevant to this contract. Do the individuals assigned to the contract have experience on similar contracts? How extensive is the applicable education and experience of the assigned personnel?

Personnel

All proposed key contract personnel must be identified in the proposal. Each person's role is to be identified and documented in the following format:

- Name
- Position in Company
- Role in the contract

Customer References

The Supplier must submit three (3) references, names and phone numbers for similar contracts your firm has completed.

Contract Performance

If a Supplier has had a contract terminated due to the vendor's non-performance or poor performance during the past seven (7) years, all such incidents must be described, including the other party's name, address and telephone number. If no such terminations have been experienced by the vendor in the past seven (7) years, so indicate.

SECTION V. PROPOSAL SUBMISSION REQUIREMENTS

Proposal Format

The City discourages overly lengthy and costly proposals. In order for the City to evaluate proposals fairly and completely, Suppliers should follow the format set forth herein and provide all of the information requested.

Proposals that do not adhere to these formatting requirements may be considered non-responsive. Proposals should be submitted in a sealed envelope with the name of the vendor and the relevant CSP name and number on the front.

Responses must be submitted with one (1) original and four (4) copies. All proposals submitted will become the property of the City and will not be returned.

Proposals must remain open and valid for seven (7) business days from opening, unless time for awarding the contract is extended by mutual consent.

The Supplier must complete and deliver all Required Deliverables (Attachment B) to respond to this CSP.

CSP Addenda

The City reserves the right to issue addenda to the CSP at any time. The City also reserves the right to cancel or reissue the CSP. However, if an addendum is issued less than seventy-two (72) hours prior to the proposal due date, the closing date will be modified accordingly.

Proposal Response Date and Location

The Supplier's proposal, in its entirety, must be received at the location, by the date and time specified on the cover page of this CSP. Proposals arriving after the deadline will be returned unopened, to their senders. All proposals and accompanying documents will become the property of the City and will not be returned. **Proposals should be submitted in a sealed envelope with the name of the vendor and the relevant CSP name and number on the front.**

Suppliers assume the risk of the method of dispatch chosen. The City assumes no responsibility for delays caused by any delivery service. Postmarking by the due date will not substitute for actual proposal receipt. Late proposals will not be accepted nor will additional time be granted to any vendor.

Proposals may <u>not</u> be delivered by facsimile transmission or other telecommunication or electronic means.

Hand-delivered proposals may be delivered ONLY between the hours of 9:00 A.M. and 4:00 P.M., Mondays through Fridays, excluding holidays observed by the City.

Required Review

Suppliers should carefully review this CSP for defects and questionable or objectionable matter. Comments concerning defects and objectionable material must be made in writing and received by the CSP contact at least ten days before proposal opening. This will allow for issuance of any necessary addenda. Protests based on any omission or error, or on the content of the solicitation, will be disallowed if these faults have not been brought to the attention of the CSP contact, in writing, at least ten (10) days before the time set for opening.

Multiple Proposals

The submission of multiple proposals will be considered non-compliant and those proposals will be disqualified. We are relying on the Supplier as expert, to identify in its proposal the approach which the vendor believes will be the most effective to produce the required services on time and within budget.

Proposal Rejection

The City reserves the right to reject any or all proposals at any time without penalty.

Response Property of City

All materials submitted in response to this request become the property of the City. Selection or rejection of a response does not affect this right.

No Obligation to Buy

The City reserves the right to refrain from contracting with any Supplier. The release of this CSP does not compel the City to purchase. The City is not bound to accept the lowest priced proposal or any of the proposals submitted.

Cost of Preparing Proposals

The City is not liable for any costs incurred by Supplier in the preparation and presentation of proposals submitted in response to this CSP.

Acceptance of Terms

All the terms and conditions of this CSP are deemed to be accepted by the Supplier and incorporated in its proposal except those conditions and provisions that are expressly excluded by the Supplier in the proposal.

Attachment A

The City of Zanesville's City Facilities served by AEP Ohio and Detailed City Accounts' Information (to be provided to each prospective bidder when the bidder submits an intent to submit bid to the City on or before October 2, 2020)

Attachment B

Required Deliverables

1. Fixed rates in cents per kWh for the Full Requirements Retail Electric Generation Supply Product for the one, two and three year terms, commencing on or about the April 2021 meter reading date(s).
2. Bid guaranty and contract bond.
3. Moody's, S&P and/or Fitch's most recent credit rating report for the Supplier legal entity and any guarantor.
4. Form of corporate Guaranty, if necessary.
5. Form of Financial Security as described in Section III.
6. Form of Contract.
7. Most current audited financial statements of Supplier and any guarantor, evidence of at least 5 years of electricity supply and delivery prior experience and PUCO current CRES certificate.
8. All information required in Section IV regarding Qualifications and Experience.
9. Executed City of Zanesville Affirmative Action form.
10. Executed City of Zanesville Buy Muskingum County/buy Ohio and Buy American forms.
11. Executed City of Zanesville standard Bid form.

CITY OF ZANESVILLE, OHIO

FULL REQUIREMENTS PURCHASE STANDARD BID FORM

FROM:_____(COMPANY NAME)

To the Public Service Director:

BID FOR _____

_____

The Undersigned proposes to furnish the above materials, supplies or equipment, and to accept as full compensation therefore the price per unit multiplied by the number of units of such commodity purchased hereunder, (which units and prices therefore are set forth in the schedule of items hereto attached and made a part of this bid) and subject to any discount set forth in this bid.

The Undersigned further certifies that he (as an individual, firm or corporation making this bid) is not in arrears or default to the City of Zanesville, Ohio ("City") upon any debt or contract, nor is a defaulter as surety or otherwise upon any obligation to said City nor has failed to perform faithfully any previous contract with said City and that there is no suit or claim pending as to any such arrears or default.

THE UNDERSIGNED UNDERSTANDS THAT THE CITY RESERVES THE RIGHT TO REJECT ANY OR ALL BIDS.

The firm, corporation, or individual name: _____

MUST BE SIGNED IN SPACE INDICATED Sign: _____

Name Typed or Printed: _____

Title of Officer: _____

Business Address of Bidder: _____

_____

_____

BIDDER MUST COMPLETE AND SIGN.

STATE OF INCORPORATION: _____

EMAIL ADDRESS AND CONTACT INFORMATION_____