



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

Topic: Discussion and possible action to authorize, by Resolution, the Superintendent of Schools' authority to amend the Energy Price and extend the Term of the Agreement with U. S. Energy Savings if market energy price rates fall below the current contracted rate of \$0.0782 per kilowatt hour.

Submitted by: Cordelia Jackson **Of:** Purchasing Director

Approved for transmittal to school board: December 15, 2010

Recommendations:

Administration requests that the Board of Trustees grant the authority to extend the current Retail Energy Contract if the District is able to secure a reduced rate. As part of the current contract entered into under RFP 2008-078 "Retail Electric Provider" the District has the option to "Blend and Extend" our energy rate if mutually agreed upon by both parties. Our current contract rate is .0782 KHW and is good thru December 31, 2013.

Rationale:

Budgetary Information:

FY 2010-11 Budget

Board Policy Reference and Compliance

Texas education code 44.031

RESOLUTION

WHEREAS, on October 2008, the United Independent School District (“UISD”) entered into a five (5) year Agreement with U.S. Energy Savings, an Electricity supplier who sells electricity at a fixed rate to school districts; and

WHEREAS, on October 2008, UISD’s Agreement with U.S. Energy Savings provided that U. S. Energy Savings would provide UISD a fixed rate energy price of \$0.0783 per kilowatt-hour; and

WHEREAS, the contracted fixed rate energy price was based on UISD past history of energy consumption; and

WHEREAS, UISD, in October 2008, also entered into an Amendment to its Agreement with U.S. Energy Saving to allow UISD to contract for a new energy price rate, if offered, and also extend the term of the original agreement if both UISD and U.S. Energy Savings are in agreement to a new rate and extension; and

WHEREAS, said agreement to allow UISD to amend the contracted Energy Price and extend the term of the Agreement is known as the “Blend and Extend Option;” and

WHEREAS, with the deregulation of the Texas Electricity Market, market competition among electricity services providers has forced down prices in said electricity rates; and

WHEREAS, electric rate price fluctuations makes any U.S. Energy Savings offer of a lower electric rate fleeting and subject to a short acceptance window; and

WHEREAS, the UISD Board of Trustees recognizes and makes the determination that any offer by U.S. Energy of a lower energy rate may not be timely acted upon if Board Action is required; and

WHEREAS, the UISD Board of Trustees also recognizes and makes the determination that there will be a cost savings to UISD if UISD can amend its Agreement with U.S. Savings for a lower electricity rates than the current contracted rate; and

WHEREAS, the UISD Board makes the determination that the Superintendent of Schools be given the authority to amend the contracted Energy Price if a lower electric rate price is offered by U.S. Energy Savings as well as extend the Term of the Agreement; and

WHEREAS, the UISD Board of Trustees makes the determination that the Superintendent of Schools also be given the authority to exercise the “Blend and Extend” option at any time during the term of the Agreement with U.S. Energy Savings.

THEREFORE, be it **RESOLVED** on this the 15th day of December, 2010 that the Board of Trustees for the United Independent School District does hereby approve the resolution described herein.

President
UISD Board of Trustees

Secretary
UISD Board of Trustees