



Board Action Required X

No Action Required

To: Coppell ISD Board of Trustees
From: Sid Grant
Date: March 11, 2010
cc: Dr. Jeff Turner, Kelly Penny, Denise Sullivan

Re: Energy Services Agreement with Amerex Brokers, LLC

Recommendation: **That the Coppell ISD Board of Trustees renew the Energy Services Agreement for Electric Power by and between Coppell ISD and Amerex Brokers, LLC for a three (3) year term beginning April 1, 2011 and that the Superintendent or his designee be authorized to execute the Agreement.**

Effective April 1, 2008, we entered into a contract with Amerex Brokers, LLC to assist the district as a consultant for the procurement of our electricity. As a reminder, Amerex is not only one of the nation's largest, most successful electricity brokers, but also partners with Aramark Education (our provider of custodial services). Amerex and Aramark have worked closely with many educational institutions in developing holistic energy management and procurement programs in order to minimize energy consumption and secure the best rate per kWh possible for their clients.

Since the inception of the Agreement, Amerex has provided a closely managed "turn-key" product that includes careful market evaluation and negotiations with the Retail Electric Providers in order to obtain the best possible electric rates with terms that are most appropriate given current market conditions. As a result of this Agreement and locking electricity rates through April, 2011, we will have saved approximately \$576,000 over the three year contract as compared to the TASB BuyBoard fixed five-year renewal rate we were offered. Having had the flexibility of a closely managed product as compared to simply "fixing" a price at the time of contract renewal has turned out to be the most fiscally responsible course of action.

Since natural gas prices are currently quite low and are the primary driver for our electricity rates, Amerex and I believe it would be beneficial to lock our rates beyond April, 2011. In order to do this they will need to solicit bids on our behalf from Retail Electric Providers in order to set our "Heat Rate" and the "Retail Adder" beyond April, 2011.

Consequently, I ask that the Board approve the renewal of the Amerex contract for an additional three (3) year term, effective April 1, 2011. The contract, originally reviewed and negotiated by the Law Offices of Robert E. Luna, already provides for an automatic renewal, however, given the dollar impact of the contract, I believe Board re-approval is appropriate.

Since Amerex representatives will not be attending the Board meeting on March 29th, I would encourage any Board member with questions to contact Denise or me so that we can secure answers from Amerex prior to Monday night's meeting.