TOPIC: University of Maryland, Baltimore: Renewal of Heat Energy Services Contract

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: June 19, 2014

SUMMARY: The University of Maryland, Baltimore requests Board of Regents approval to exercise the first and final five-year renewal option for heat energy services with Veolia Energy Baltimore Corporation (Veolia) formally operating as Trigen-Baltimore Energy Corporation.

The University has used steam service as the source of heating and for its process loads (e.g., sterilizers, humidification) for the last sixty-five years. A competitive procurement was conducted in 1997. At that time there were two providers of heat energy services—Trigen-Baltimore Energy Corporation and Comfort Link. Trigen was the successful proposer and the Board of Regents approved the initial 15-year contract in May of 1998. The approved contract term was from August 31, 1999 to August 30, 2014.

The estimated dollar value for the five-year renewal period beginning August 31, 2014 is $20,000,000.

This request for approval is made pursuant to University System of Maryland Procurement Policies and Procedures: Section VII.C.2 for procurements exceeding $5 million.

VENDOR(S): Veolia Energy Baltimore Corporation

ALTERNATIVE(**S**): There are no alternatives to the renewal of this contract. Veolia is now the sole provider of heat energy services in Baltimore City.

FISCAL IMPACT: This renewal contract is fixed cost remaining the same as the original contract. Variable fuel and labor cost will remain capped by fuel and labor escalation indexes.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend that the Board of Regents approve for the University of Maryland, Baltimore to execute the final and only renewal option for heat energy services with Veolia Energy Baltimore Corporation as described above.

COMMITTEE RECOMMENDATION: DATE:

BOARD ACTION: DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923