

EMERGENCY MEETING

HUNTERDON COUNTY BOARD OF CHOSEN FREEHOLDERS

71 Main Street, Freeholder's Meeting Room, 2nd Floor
Flemington, New Jersey 08822
August 22, 2017

The Hunterdon County Board of Chosen Freeholders convened in an emergency meeting at 5:00 p.m., in accordance with the provisions of the Open Public Meetings Act.

PRESENT: MR. LANZA, MR. KING, MS. LAGAY.
ABSENT: MR. HOLT, MR. WALTON.

County Counsel, Shana Taylor read the Open Public Meetings Act: "This meeting is being held in accordance with the provisions of the Open Public Meetings Act. Adequate notice has been given by posting a copy of the notice on Bulletin Boards on the First and Second Floor of the Main Street County Complex, Building #1, Flemington, New Jersey, a public place reserved for such announcements. A copy was e-mailed at approximately 4:35 p.m., on August 22, 2017, to the Hunterdon County Democrat, Courier News and TAPinto (online), newspapers designated to receive such notices and by filing a copy with the Hunterdon County Clerk."

County Counsel Taylor advised the Board that the reason for this Emergency Meeting which had to be convened on such short notice was that following the Energy Auction which took place in the morning, the County was advised that the lowest bidder, Source Power & Gas, withdrew their bid due to a material mistake in the math which they used for their proposed pricing. This has resulted in the County having authority to contract with only one entity and now that entity is not able to provide needed electrical generation for the County. This situation needs to be addressed. This withdrawal has required the Emergency Meeting so that the Freeholders are able to consider whether they would like to award the contract instead to the second lowest bidder, Great Eastern Energy. Counsel told the Board that she was advised by the County's representatives at EMEX, the group which conducted the auction, that if the Board failed to have a meeting tonight and amend the Resolution awarding the contract to Source Power & Gas that passed earlier in the day, it would result in the second lowest bidder's price expiring and would therefore require the County to have another auction for electric suppliers. EMEX advised that such second auction would likely result in higher prices for the County. The County would need to take action, at this Emergency Meeting, on this date in order to preserve the pricing, if it wished to do so, from this morning's auction.

PUBLIC COMMENT

No public was present.

NEW BUSINESS

Ms. Taylor reiterated to the Board that the lowest bidder from this morning's reverse auction for electrical services has provided the County with a letter stating that due to a "material defect in their bid" they have withdrawn their proposal of \$0.07256 per kilowatt hour. As a result of this, the County is holding this meeting convening to modify/amend the resolution of award to the lowest responsive bidder which is Great Eastern Energy, with their proposal of \$0.07408 kWh, for a period not to exceed 24 months, in an amount not to exceed \$1,200,000 for the term of the contract.

Ms. Taylor reported that she, as well as representatives from EMEX, have been in contact with the New Jersey Department of Community Affairs regarding this issue with the lowest bidder and how to handle the situation. They have advised the County that awarding to the second lowest bidder, in this situation, is appropriate if the County wishes to do so. They also advised that an alternative would be to conduct a new auction in accordance with the statutory guidelines pertaining to these auctions.

Janet R. Previte, County Financial Officer, advised that the anticipated cost for electric supply service for this time period (at the rate provide by the second lowest bidder) was estimated to be around \$567.667.08 but feels the \$1.2 million is a safe number for the not to exceed figure, should the County exceed normal anticipated electricity usage.

Mrs. Previte stated the difference between the original low bidder, Source Power & Gas bidder and the second lowest bidder, Great Eastern Energy is approximately \$11,000 a year.

Mr. King moved and Ms. Lagay seconded this:

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RESOLUTION

RESOLVED, Approving an agreement with Great Eastern Energy to procure electricity at a rate of \$0.07408 per kWh, for a period not to exceed 24 months, in accordance with N.J.S.A. 40A:11-15, in an amount not to exceed \$1,200,000.

Deputy Director King questioned if the County should rebid this utility but stated that understands the pressure to lock in the utility rate and the risk related to the variable nature of rates in this type of situation.

Ms. Taylor explained that she was advised by EMEX that if this utility were to be rebid/re-auctioned, the rates could come in higher which would cost taxpayers more. The Board discussed whether it was wise to take action and preserve the pricing form this morning's auction or risk re-auctioning the commodity.

Director Lanza stated that he disappointed the low bidder backed out. He agreed the County should lock in the lowest responsive bid that will be honored, which is less than what the Coop is offering Hunterdon County. Director Lanza stated the County needs to lock in these savings and he supported the Resolution as presented.

ROLL CALL: (AYES) MR. KING, MS. LAGAY, MR. LANZA.
(ABSENT) MR. HOLT, MR. WALTON.

There being no further business to come before the Board, Director Lanza adjourned the meeting at 5:12 p.m.

Respectfully submitted,

Denise B. Doolan
Clerk of the Board