

WILLIAM PEDUTO  
MAYOR



CHRIS HORNSTEIN  
ACTING DIRECTOR

CITY OF PITTSBURGH  
**DEPARTMENT OF PUBLIC WORKS**  
CITY-COUNTY BUILDING  
March 15, 2021

President and Members of Council  
City-County Building Room 410  
414 Grant Street  
Pittsburgh, PA 15219

**RE: Energy Services Agreement with Energy Center Pittsburgh LLC**

Dear President and Council Members:

Attached is a proposed Resolution authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into an Energy Services Agreement or Agreements with Energy Center Pittsburgh LLC for the supply of steam to the City-County Building, with the possibility of hot and/or chilled water in the future.

Your favorable consideration of the attached proposed Resolution is hereby requested.

Sincerely,

A handwritten signature in black ink that reads "Chris Hornstein".

Chris Hornstein  
Acting Director

cc: Tom Paulin, Superintendent  
Nick Fiumara, Parks Maintenance Supervisor

title

Resolution authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into an Energy Services Agreement or Agreements with Energy Center Pittsburgh LLC for the supply of steam to the City-County Building, with the possibility of hot and/or chilled water in the future.

body

WHEREAS, the District Energy System currently used by members of Pittsburgh Allegheny County Thermal (PACT), of which the City of Pittsburgh is a member, provides steam heating to various downtown customers and locations including the City-County Building; and

WHEREAS, the District Energy System requires significant modernization in order to remain functional and affordable to its customers; and

WHEREAS, PACT and the City have explored various long-term options for this modernization process, including the transition to a new District Energy System and eventual dissolution of PACT, targeted for sometime in 2023;

WHEREAS, PACT and the City have determined that Energy Center Pittsburgh LLC is the only PUC-regulated entity capable of providing the combination of infrastructure and services needed to modernize the District Energy System;

WHEREAS, PACT has separately approved a Development Agreement that authorizes the transition of PACT assets to Energy Center Pittsburgh LLC and the creation of the new District Energy System;

WHEREAS, the Energy Services Agreement authorizes an agreement term of 20 years, with full operation of the new steam system set to commence sometime in 2023 in approximate conjunction with the dissolution of PACT; and

WHEREAS, the City entered into a non-binding Letter of Intent with Energy Center Pittsburgh LLC in January 2021 regarding the parties' intention to enter into said Energy Service Agreement(s);

Be it resolved by the Council of the City of Pittsburgh as follows:

Section 1. The Mayor and Director of the Department of Public Works are hereby authorized, on behalf of the City of Pittsburgh, to enter into an Energy Service Agreements or Agreements with Energy Center Pittsburgh LLC for the supply of steam to the City-County Building, with the possibility of hot and/or chilled water in the future.

Section 2. Total compensation to Energy Center Pittsburgh LLC shall be an aggregate of fixed costs and variable costs, the latter of which are based upon City's prorated consumption of steam and/or water within the City-County Building as limited by City's annual budget allocation. Said Agreement(s) shall apply annual variable rates as determined by the Pennsylvania Utility Commission (PUC) as well as the following fixed rates for capacity charges and operation/maintenance ("O&M") charges:

**Fixed Rates: a Capacity Charge of \$20,434/month and an Operation and Maintenance ("O&M") Charge of \$5397/month**

The fixed rates stated above are reflective of the evenly divided split between the City and Allegheny County, with whom the City shares occupancy of the City-County Building, as required by separate existing agreement. The variable rates as determined by the PUC shall be applied to City's prorated consumption of steam and/or water within the City-County Building.

Compensation will be paid to Energy Center Pittsburgh LLC directly from the City's utility bills payable thereto, chargeable to and payable from the following utility accounts in their respective budget years, and/or any other utility accounts as may be determined by City's Office of Management and Budget:

2023	450000.54601.54.2023
2024	450000.54601.54.2024
2025	450000.54601.54.2025
2026	450000.54601.54.2026
2027	450000.54601.54.2027
2028	450000.54601.54.2028
2029	450000.54601.54.2029
2030	450000.54601.54.2030
2031	450000.54601.54.2031
2032	450000.54601.54.2032
2033	450000.54601.54.2033
2034	450000.54601.54.2034
2035	450000.54601.54.2035

2036	450000.54601.54.2036
2037	450000.54601.54.2037
2038	450000.54601.54.2038
2039	450000.54601.54.2039
2040	450000.54601.54.2040
2041	450000.54601.54.2041
2042	450000.54601.54.2042
2043	450000.54601.54.2043

Section 3. Said Energy Services Agreement(s) shall be in a form approved by the City Solicitor.

**Fiscal Impact Statement**  
*Updated 1/29/2020 to satisfy City Code §219.07*

<b>Department</b>	Department of Public Works
<b>Preparer</b>	Sarah Yeager
<b>Standing Committee Representative</b>	Chris Hornstein, Grant Ervin, Sarah Yeager
<b>Type of Legislation</b>	Contract Authorization

**Description of Legislation**

Resolution authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into an Energy Services Agreement or Agreements with Energy Center Pittsburgh LLC for the supply of steam to the City-County Building, with the possibility of hot and/or chilled water in the future.

This contract includes the following charges;

Fixed Charge: Capacity Charge of \$20,434/month and an O&M Charge of \$5,397 /month

<b>Total Cost</b>	\$ \$25,831 per month			
<b>Frequency of Expenditure</b>	<input type="checkbox"/> One-Time		<input checked="" type="checkbox"/> Multi-Year	
<b>Funding Source</b>	<input checked="" type="checkbox"/> Operating	<input type="checkbox"/> Capital	<input type="checkbox"/> Grant	<input type="checkbox"/> Trust Fund
<b>Is this item budgeted?</b>	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	

**JDE Account Information**

11101.450000.54.54607.2021

**Additional Operational Costs**

N/A

**Impact on City Revenue**

N/A

**If the resolution authorizes a professional services contract, complete this page:**

<b><i>Method of Procurement</i></b> <i>Select one.</i>	<input type="checkbox"/> RFP	<input type="checkbox"/> Signed Waiver from OMB	<input type="checkbox"/> Amendment to Existing Contract <i>Do not fill out the rest of the form.</i>
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**Name of Vendor and Award Justification**

List the name of the awarded vendor and its qualifications.

**Other Respondents**

List the other respondents. If there were none, clearly state that.

**Selection Criteria**

Describe the selection or scoring criteria.

**Selection Committee Representation**

List the department(s) or bureau(s) represented on the committee. Do not list individual names.

**Waiver Justification**

If a waiver was granted, explain the justification.

**EORC Synopsis**

Insert synopsis that was presented.

<b><i>Date Presented at EORC:</i></b> Insert date.	<input type="checkbox"/> Approved	<input type="checkbox"/> Not Approved
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*Per §219.07 of the City Code, you **must** include an electronic copy of the solicitation or your signed waiver with your submission to the Office of Management and Budget.*

**Attachments**

- *Please attach any additional documents and/or exhibits.*






# REVISED Legislation - Clearway

Final Audit Report

2021-03-16

Created:	2021-03-16
By:	Carrie Brand (carrie.brand@pittsburghpa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAwzzQ6dvFeuPHJvfmLXyctmgHaaK1-FIG

## "REVISED Legislation - Clearway" History

-  Document created by Carrie Brand (carrie.brand@pittsburghpa.gov)  
2021-03-16 - 12:52:09 PM GMT- IP address: 73.79.146.71
-  Document emailed to Chris Hornstein (chris.hornstein@pittsburghpa.gov) for signature  
2021-03-16 - 12:56:30 PM GMT
-  Email viewed by Chris Hornstein (chris.hornstein@pittsburghpa.gov)  
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-  Document e-signed by Chris Hornstein (chris.hornstein@pittsburghpa.gov)  
Signature Date: 2021-03-16 - 3:28:31 PM GMT - Time Source: server- IP address: 100.6.172.114
-  Agreement completed.  
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