

## EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve a contract with **Jefferies Group, LLC** for **Futures Commission Merchant Clearing Services**.

Board Meeting Date: July 22, 2014  
Project Name/Contract#: Clearing Services for Energy Contracts/017-2012  
Primary Contact: Cathy Bloom Ext. x7150  
Purchasing Contact: Sarah Gorsegner Ext. x7348

### Action Requested:

Contract Award  
 Contract Renewal  
 Contract Increase  
 Other

### Funding Source:

Budget  
 Reserves  
 New Revenue  
 Bonding  
 Other

### Contract Amount:

Original Contract Amount: \$250,000  
Additional \$ Previously Approved: \$ n/a  
Invoices over last approval: \$ n/a  
Percentage over last approval: n/a %  
Amount this Request: \$250,000  
**Resulting Cumulative Total:** \$250,000

### Form of Contract:

Single Purchase  
 Services  
 Personal Services  
 Construction  
 IGA  
 Price Agreement  
 Other

### Contracting Method:

Method of Solicitation: Formal Request for Proposals  
If applicable, basis for exemption: n/a  
Term of Agreement: 3 years from fully executed agreement  
Option to Renew? Yes, for 2 additional years  
Approval for purchases "as needed" for the life of the contract Yes

### Narrative:

EWEB requires Futures Commission Merchant (FCM) clearing services to provide clearing and settlement of financial transactions for the hedging of EWEB's secondary power revenue. Contract objectives include expanding the pool of qualified trading counterparties, access to a trading platform, settlement services, and reporting.

Contract services include implementation support; providing access to ICE Clear Europe (financial exchange); annual, quarterly, monthly and daily reporting; settlement of energy contracts; daily calculation of margin requirements; technical and functional client support; and assistance with compliance to federal rules.

Staff issued a formal Request for Proposals in March 2012 to financial institutions that provide Future Commission Merchant Clearing Services. Nine companies reviewed the solicitation; EWEB received three proposals. The responses were evaluated based on the evaluation criteria stated in the Request for Proposals. Jefferies of New York, New York was the highest ranking offeror; criteria included capability to perform the work, recommendations from current clients, compliance with industry standards, financial strength, and understanding of clearing service requirements for a regulated utility. Staff has negotiated the terms and conditions of the contract and has issued a notice of Intent to Award the contract to Jefferies, pending Board approval.

### ACTION REQUESTED:

Management requests Board approve a contract with **Jefferies** for **Clearing Services for Energy Contracts**. Funds for these services were budgeted for 2014 and will be budgeted annually.

**SIGNATURES:**

Project Coordinator: \_\_\_\_\_

LT Manager: \_\_\_\_\_

Purchasing Manager: \_\_\_\_\_

General Manager: \_\_\_\_\_

Board Approval Date: \_\_\_\_\_

Secretary/Assistant Secretary verification: \_\_\_\_\_