

FROM

NAME & TITLE	Theodore Atwood, Director
AGENCY NAME & ADDRESS	Department of General Services 800 Abel Wolman Municipal Building
SUBJECT	CITY COUNCIL BILL 12-0089

CITY of  
BALTIMORE  
**MEMO**



TO

DATE:  
June 6, 2012

The Honorable President and Members  
of the Baltimore City Council  
c/o Karen Randle  
Room 400 – City Hall

I am herein reporting on City Council Bill 12-0089 introduced by the Council President on behalf of the Administration (Department of Finance).

The purpose of the Bill is to transfer a General Fund Appropriation in the amount of \$500,000 from the Department of Public Works (Program 664) and \$700,000 from the Department of Housing and Community Development (Program 745) to the Department of General Services (Program 731).

The City of Baltimore recently renegotiated its contract with the Baltimore Refuse Energy Systems Company (BRESKO). In addition to the contract providing for the disposal and incineration of certain tonnages of municipal solid waste at a specified tipping fee (paid to BRESKO) and the acceptance of the resulting ash at the Quarantine Road Landfill at a specified fee (paid to the City), the City is purchasing of some of the resulting energy produced from the incineration process. The renegotiated BRESKO contract realized considerable savings for the City, and the agreed upon energy cost is even less than the price the City pays under its lucrative bulk energy purchasing through the Baltimore Regional Cooperative Purchasing Committee (BRCPC). When the price BRESKO receives for its energy exceeds the agreed upon price, BRESKO pays the difference to the City, and when the price dips below the agreed upon price, the City pays the difference to BRESKO. Even when the City pays the difference in pricing, the kilowatt cost is still a savings over what would be paid if that energy were purchased from BRCPC.

Due to the fluctuations in the energy market, the City must pay a balance of \$1,200,000 to BRESKO for the difference in its energy pricing. City Council Bill 12-0089, if approved, would provide \$1,200,000 to the Department of General Services FY 2012 budget under Facilities Management, Program 731 for this purpose. The Board of Estimates recommended this transfer at its May 23, 2012 meeting.

The Department of General Services supports passage of City Council Bill 12-0089.

Theodore Atwood  
Director

AHF:MMC

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