

CITY OF BALTIMORE

MARTIN O'MALLEY, Mayor



DEPARTMENT OF FINANCE

BUREAU OF PURCHASES  
231 E. Baltimore Street, Suite 300  
Baltimore, Maryland 21202

June 30, 2004

Mr. Tyson Slocum  
Research Director  
Public Citizen  
215 Pennsylvania Avenue, SE  
Washington, DC 20003

Dear Mr. Slocum:

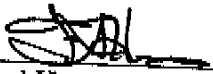
Mayor O'Malley and County Executive Smith have asked us to respond to your letter of June 2, 2004 regarding the recent contract award to Reliant Energy to supply electricity to numerous governmental agencies in the Baltimore region.

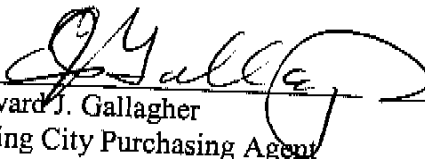
As the chief procurement officers for our jurisdictions, we are required to follow state and local laws and regulations that apply to the purchase of goods and services. This contract award was made following a competitive bid process, with Baltimore City serving as the lead jurisdiction.

You have requested that we re-evaluate this contract award "in light of Reliant Energy's *alleged* role in manipulating energy markets" (emphasis added). However, you have not in your letter identified anything that disqualifies Reliant Energy from participation in this competition or from being awarded this contract.

Reliant Energy Solutions East is licensed by the Public Service Commission to sell electricity in the State of Maryland. We therefore have no basis to deviate from our responsibility concerning the award of the contract to the lowest responsible bidder. As a result of entering into this contract, taxpayers in the Baltimore region will save an estimated \$2,988,720 during the 23-month period of the contract.

Sincerely,

  
Fred Homan  
Director  
Baltimore County Office of  
Budget & Finance

  
Edward J. Gallagher  
Acting City Purchasing Agent  
City of Baltimore

