City of Rochester Hills
AGENDA SUMMARY
FINANCIAL ITEMS

1000 Rochester Hills Dr.
Rochester Hills, MI 48309
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www.rochesterhills.org

Legislative File No: 2006-0804

TO: Mayor and City Council Members

FROM: Bob Srogi, Facilities Operations Manager

DATE: November 5, 2006

SUBJECT: Natural Gas

REQUEST:

City Council authorization of a blanket purchase order to Consumers Energy, Lansing, Michigan, in the amount not-to-exceed $175,360.00 for the purchase of natural gas for various City owned buildings through December 31, 2007.

REASON FOR PURCHASE:

The members of the Michigan Intergovernmental Trade Network (MITN) cooperative group have worked with Michigan Municipal Risk Management Authority (MMRMA) and its partnership with Kimball Power Company to obtain professional assistance in selecting a reliable and cost effective natural gas provider. Consumers Energy currently remains the best value for the purchase of natural gas for the City. Therefore, the City desires to continue to contract for natural gas with Consumers Energy until an alternate provider of better value is identified. Estimates for 2007 for natural gas consumption by City facilities is $175,360.00.

The City will continue to monitor the natural gas market to provide the best value.

PROCESS:

Vendor Name and Address:
Consumers Energy
Lansing, Michigan 48937-0001

Reason for Selection:
Best Value

Method of Purchase:
Blanket Purchase Order

BUDGET:

Fund Name	Department Account No	Account No. Description	Budget Amount	Cost	Remaining Budget
Facilities	631.926000	Gas Utility	$175,360	$175,360	0

RECOMMENDATION:

It is recommended that City Council authorize a blanket purchase order to Consumers Energy, Lansing, Michigan, for natural gas in the amount not-to-exceed $175,360.00 through December 31, 2007.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Budget Content: Finance Director		
Purchasing Process: Supervisor of Procurement		
Mayor		
City Council Liaison		

Document4