



**City of Rochester Hills  
AGENDA SUMMARY  
FINANCIAL ITEMS**

**1000 Rochester Hills Dr.  
Rochester Hills, MI 48309  
248.656.4630  
[www.rochesterhills.org](http://www.rochesterhills.org)**

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**Legislative File No: 2008-0020**

**TO:** Mayor and City Council Members  
**FROM:** Bob Srogi, Facilities Operations Manager  
**DATE:** January 11, 2008  
**SUBJECT:** Natural Gas

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**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, 2008.

**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 2008 for natural gas consumption by City facilities is \$175,360.00.

The new DPS Garage may impact the usage of natural gas and the amount of the purchase order. The cost will be monitored and if necessary, the blanket purchase order will be brought back to council for adjustment.

The City will continue to review 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:**

<b>Fund Name</b>	<b>Department Account No</b>	<b>Account No. Description</b>	<b>Budget Amount</b>	<b>Cost</b>	<b>Remaining Budget</b>
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, 2008.

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**RESOLUTION**

**NEXT AGENDA ITEM**

**RETURN TO AGENDA**

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