



City of Broken Arrow

Request for Action

File #: 17-2136, Version: 1

**Broken Arrow City Council
Meeting of: 05-2-2017**

To: Mayor and City Council
From: General Services Department
Title: Approval of and authorization to execute the Transaction Confirmation #4 (second contract renewal) with Tiger Inc. for third party natural gas supply

Background:

Large-volume natural gas customers have the ability to negotiate their own gas purchases with non-utility suppliers (Third party) and pay Oklahoma Natural Gas (ONG) to transport the gas to the point of consumption. The City of Broken Arrow has 30 some accounts with ONG, six (6) that have usage amounts that qualify to purchase gas from a third party supplier other than ONG. Since 2006, the City has entered into contracts with third party Natural Gas suppliers for our qualifying accounts. These accounts include Main Place, the Public Safety Training Center, the Animal Shelter, the Maintenance Center building, the PD/FD Training Center, the Public Safety Complex and the Broken Arrow Community Center on Main Street.

In 2015, bid proposals were requested from 24 different natural gas suppliers. Five suppliers responded and the bid received from Tiger was identified as the most advantageous proposal by the consulting firm, Energy Strategies. The bid was awarded to Tiger Inc. for an annual contract, renewable for up to four additional periods.

Savings over ONG prices are significant. Over the most recent 12-month period, if we were purchasing natural gas from ONG, our cost would have been \$32,950,90. Our cost from Tiger for the consumed natural gas, during the same 12-month period, \$24,581.19. Total savings we realize from purchasing from Tiger under this contract is \$8,369.71.

It is time for the City of Broken Arrow to consider the renewal of the annual third party natural gas supply contract. As the terms of the contract remain the same, staff recommends approval of the second of four renewal periods of the Contract with Tiger Inc.

Cost: Annual savings over ONG prices
Prepared By: Lee Zirk, General Services Director
Reviewed By: Finance Department
Assistant City Manager - Administration
Legal Department

Approved By: Michael L. Spurgeon, City Manager

Attachments: Bid 15.145 Tiger Inc. contract
Transaction Confirmation #4
Last 12-month Energy Cost Comparison

Recommendation:

To approve the Transaction Confirmation #4 (second contract renewal) with Tiger, Inc., and authorize its execution.