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BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

**GAS UTILITY CONTRACT
ADMINISTRATIVE SERVICES
DISTRICT WIDE**

THE CHANCELLOR

REPORTS

that the CCC is currently purchasing its natural gas needs from People's Energy Service Corporation, and;

that the current agreement expires on February 28, 2006; and

that upon expiration of the agreement, it will extend automatically from month-to-month thereafter; and

that the deregulated utility market has created an opportunity for CCC to investigate utility contracts with the existing or new companies, and;

that the City of Chicago has created an Energy Alliance group among all City and Sister Agencies in order to investigate the utility market for bulk purchasing; and

that Administrative Services has determined that it is in the best interest of the District to continue to purchase our gas needs from People's Energy Services Corporation per the current agreement on a month-to-month basis in an amount not to exceed \$6,729,776 for all Colleges and District Office through FY 2007, or until the City's Energy Alliance group completes its studies and negotiations with gas utility providers; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced extension of the gas utility agreement, and since there are no MBE or WBE vendors with the capability to supply the gas needs of the entire District and since there will be an opportunity for compliance when the City's Energy Alliance group has completed its studies and negotiations, it is recommended that a waiver from compliance with the Board approved Participation Plan be granted.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorize the Chairman to execute all necessary documents to extend the Peoples Energy Services Corporation agreement on a month-to-month basis in an amount not to exceed \$6,729,776 for all Colleges and District Office through June 30, 2007 or until the City's Energy Alliance group completes its studies and negotiations with gas utility providers and authorize the Chancellor or his designee to execute the monthly fixed price agreement when the price is beneficial to the District.

FINANCIAL

Not to Exceed -\$2,953,197-Various Campuses-06001 (FY2006)
Not to Exceed \$ 3,776,579 - Various Campuses and Fund- 06001 (FY2007)

February 9, 2006- Administrative Services - District Wide

Respectfully submitted:

Wayne D. Watson
Chancellor