

# 33001

ADOPTED – BOARD OF TRUSTEES  
COMMUNITY COLLEGE DISTRICT NO. 508  
JULY 7, 2016

## BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508 COUNTY OF COOK AND STATE OF ILLINOIS

### NATURAL GAS PURCHASE CONTRACT LOCK-IN AGREEMENT APPROVAL & AUTHORITY CONSTELLATION ENERGY SERVICES, INC. OFFICE OF ADMINISTRATIVE AND PROCUREMENT SERVICES DISTRICT WIDE

#### THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to execute an agreement with Constellation Energy Services, Inc. to provide an estimated 2,130,000 Therms of natural gas power annually, for the period from November 1, 2016 through October 31, 2018, at a total cost not to exceed \$1,600,000 annually for all City Colleges of Chicago facilities.

**VENDOR:** Constellation Energy Services, Inc.  
20 North Wacker Drive Suite 2100  
Chicago, Illinois 60606

**USER:** District Wide

#### TERM:

The term of the agreement with Constellation Energy Services shall begin on November 1, 2016 and end on October 31, 2018.

#### SCOPE OF SERVICES:

Constellation Energy Services, Inc. will continue to supply natural gas and manage the City Colleges account. Natural Gas supply pricing has trended downward and is currently near an historic fifteen year low. The Office of Administrative Services has been closely tracking natural gas prices with its supplier, Constellation Energy Services, Inc. and has determined that this is an opportune time to lock in a natural gas price. The Vice Chancellor for Administrative Services was granted continuing authorization to sign lock-in pricing contracts with Constellation Energy Services (previously Integrys Energy Services) pursuant to Board Reports 29665 and 29518, authorizing approval of utility contracts when pricing is advantageous based on utility contracts being exempt from competitive bidding.

#### BENEFIT TO CITY COLLEGES OF CHICAGO:

These services will provide a level of budget certainty to the City Colleges of Chicago facilities District Wide in its purchase of natural gas. Based on usage, it is anticipated that City Colleges will save in excess of \$30,000 per year on the supply side of natural gas procurement. The District also reports the payments of utilities each month to the board through the Utility, Postage and Other Monthly expenditures summary.

**VENDOR SELECTION CRITERIA:**

Pursuant to State law, contracts for the purchases of natural gas when the cost is less than that offered by a public utility are exempt from the District’s competitive bidding requirements. Also, Constellation Energy Services is the natural gas supplier for the City of Chicago, Chicago Public Schools, the State of Illinois, and Chicago Housing Authority.

**MBE/WBE COMPLIANCE:**

The Office of Contract Compliance has reviewed the proposed transaction and recommends a waiver of the Board Approved Participation plan due to the nature of the services (natural gas purchase) and the absence of subcontracting opportunities.

**GENERAL CONDITIONS:**

Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article 2, Section 2.7.4(b) of the Board Bylaws.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and as amended by the Board.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community College Act, all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

**FINANCIAL:**

**Total FY17 – 19:** \$1,600,000 annually

**Charge to:** District Wide

**Source of Funds:** O&M Fund

**FY17:** 571000-05501-0005031-70000

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**Respectfully submitted,**

**Cheryl L. Hyman  
Chancellor**

**July 7, 2016 – Office of Administrative and Procurement Services**