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**ADOPTED – BOARD OF TRUSTEES
COMMUNITY COLLEGE DISTRICT NO. 508
OCTOBER 3, 2019**

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

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

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair, upon final approval of the General Counsel as to the legal form of such agreements, to execute an agreement with Constellation New Energy- Gas Division, LLC. to provide natural gas for the period from November 1, 2019 through October 31, 2021, at a total cost not to exceed \$2,000,000 annually for all City Colleges of Chicago facilities.

VENDOR: Constellation New Energy- Gas Division, LLC.
20 N. Wacker Drive, Suite 2100
Chicago, IL 60606

USER: District Wide

TERM:

The term of the agreement shall begin on November 1, 2019 and shall end on October 31, 2021.

SCOPE OF SERVICES:

Constellation New Energy- Gas Division, LLC. will continue to supply natural gas and manage the City Colleges account. Natural Gas supply pricing has trended downward and is currently near a three year low. The Office of Administrative Services has been closely tracking natural gas prices with its supplier, Constellation New Energy- Gas Division, LLC. and has determined that this is an opportune time to lock in a natural gas price. The Associate Vice Chancellor for Administrative Services shall continue to have the authorization to sign lock-in pricing contracts with Constellation New Energy- Gas Division, LLC. (previously Integrys Energy Services) pursuant to Board Report #29518.

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 approximately \$50,000 per year on the supply side of natural gas procurement. The District

reports on the payments of utilities each month through the Utility, Postage and Other Monthly expenditures summary.

VENDOR SELECTION CRITERIA:

The vendor being utilized is part of the joint purchasing agreement and procurement procedures of the City of Chicago, a sister agency of City Colleges, under specification number 1188330 and contract number 110608. Pursuant to State law, contracts for goods and services procured from another governmental entity are exempt from the District's competitive bidding requirements.

MBE/WBE COMPLIANCE:

The Office of Procurement Services 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: \$4,000,000

Charge to: Office of Administrative and Procurement Services, the Colleges

Source of Funds: Operations & Maintenance Fund

FY20: 571000-05501-0005031-70000

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Respectfully submitted,

**Juan Salgado
Chancellor**

October 3, 2019 – Office of Administrative and Procurement Services