



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 7/16/2019

DEPARTMENT: Resource Management

STAFF CONTACT: Dianna Wright/Amy Tharnish

SUBJECT: Consideration of renewal of contract with nTherm, LLC for natural gas.

ITEM DESCRIPTION:

Consideration of renewal of contract with nTherm, LLC for natural gas

SUMMARY:

The City of Olathe joined the Greenbush Consortium in 2011 to reduce the cost of natural gas by leveraging multiple entities for volume discounts. Greenbush Energy Group solicits and negotiates the annual contract on behalf of the participating schools and local governments. Participation with Greenbush Energy Group provides cooperative buying power, market analysis, and regulatory advocacy to the City of Olathe. The contract with nTherm, LLC is associated with this consortium participation. Natural gas is used primarily as fuel to support City facility needs (ex. furnaces and boilers).

The fee for natural gas with Greenbush Energy Group is based on the Southern Star Central Gas Pipeline Inc., Texas, Oklahoma, Kansas index plus 0.35 for all required volumes, plus applicable fuel and taxes.

The Greenbush Energy Group has renewed the agreement with nTherm, LLC for a one (1) year period. Staff recommends the renewal of the contract with nTherm, LLC for natural gas transportation for one (1) year through June 30, 2020.

No Olathe vendors can provide this service.

FINANCIAL IMPACT:

Based on 2018 expenditures, an estimated \$155,000.00 will be funded from the respective Department budgets.

ACTION NEEDED:

Renewal of contract with nTherm, LLC for natural gas.

ATTACHMENT(S):

None
