



# City of Olathe

## COUNCIL AGENDA ITEM

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**MEETING DATE:** 7/7/2020

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**DEPARTMENT:** Resource Management

**STAFF CONTACT:** Michael Meadors/Bob Reynolds/Amy Tharnish

**SUBJECT:** Consideration of renewal of contract with Constellation NewEnergy - Gas Division, LLC for natural gas.

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**ITEM DESCRIPTION:**

Consideration of renewal of contract with Constellation NewEnergy - Gas Division, LLC for natural gas.

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**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. 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 Constellation NewEnergy - Gas Division, LLC for a one (1) year period. Staff recommends the renewal of the contract with Constellation NewEnergy - Gas Division, LLC for natural gas transportation for one (1) year through June 30, 2021.

No Olathe vendors can provide this service.

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**FINANCIAL IMPACT:**

Estimated expenditures is \$155,000 and funded from respective Department budgets.

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**ACTION NEEDED:**

Renewal of contract with Constellation NewEnergy - Gas Division, LLC for natural gas.

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**ATTACHMENT(S):**

None

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