



# Pinellas County

## Staff Report

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File #: 17-606A, Version: 1

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### **Subject:**

Award of bid to Interconn Resources, LLC for requirements of natural gas supply and management - a Tampa Bay Area Purchasing Cooperative contract.

### **Recommended Action:**

Approve the award of bid to Interconn Resources, LLC for requirements of natural gas supply and management; a Tampa Bay Area Purchasing Cooperative (Cooperative) contract.

Bid No. 167-0264-B(LN) in an annual amount of \$1,129,423.54 for a sixty (60) month total of \$5,647,117.70 on the basis of being the lowest responsive, responsible bid received meeting specifications.

### **Strategic Plan:**

Deliver First Class Services to the Public and Our Customers  
5.2 Be responsible stewards of the public's resources

### **Summary:**

This is a Cooperative contract containing the requirements of the City of St. Petersburg and Hillsborough Community College for supply and management of natural gas utilizing a gas marketer to provide coordination and scheduling of gas transportation and services of a local natural gas distribution company for delivery to County locations.

### **Background Information:**

On April 7, 2017, the Purchasing Department released an invitation to bid with the intent to establish a contract for supply and management of natural gas. This contract replaces a current contract that will expire on June 30, 2017.

The use of a gas marketer originated from the deregulation of the natural gas industry, providing an opportunity for customers to "shop" for suppliers as compared to the historical use of a regulated sole supplier. Gas marketers procure natural gas from many different suppliers providing greater flexibility and more competitive pricing to customers. While the price of natural gas may increase or decrease monthly depending on current market index prices, the County is charged a fixed fee for marketer services, which is firm for the contract term. The County realizes an average annual cost savings of \$1,165,000 for this cooperative procurement, as compared to procurement through a gas supplier.

The County departments currently using large quantities of natural gas are: Utilities, Solid Waste, Airport, and Real Estate Management.

### **Fiscal Impact:**

County estimated sixty (60) month expenditure not to exceed:	\$4,894,832.95
Cooperative estimated sixty (60) month expenditure not to exceed:	\$ 752,284.75
Total estimated sixty (60) month expenditure not to exceed:	\$5,647,117.70

Funding is derived from requisitioning departments' operating budgets.

Cooperative agencies are responsible for their respective funding source.

**Staff Member Responsible:**

Joe Lauro, Director, Purchasing

**Partners:**

City of St. Petersburg

Hillsborough Community College

**Attachments:**

Bid Tabulation