

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0040R

RESOLUTION AUTHORIZING CITY OFFICIALS TO AMEND AND EXTEND AGREEMENT NO. 20458 WITH MINNESOTA POWER FOR PROFESSIONAL SERVICES IN THE ACQUISITION, TRANSPORTATION AND MANAGEMENT OF NATURAL GAS SUPPLIES IN YEAR 2009 AT AN AMOUNT NOT TO EXCEED \$31,800.

CITY PROPOSAL:

RESOLVED, city officials are hereby authorized to amend and extend Agreement No. 20458 with Minnesota Power, a division of Allete, Inc., for one year, from January 1, 2009, through December 31, 2009, to continue professional services related to the acquisition, transportation and management of the natural gas supply for the city's gas utility, at an amount not to exceed \$31,800, payable from the Gas Fund 520, Agency 500, Organization 1960, Object 5310.

Approved:

Approved for presentation to council:

Director, Public Works & Utilities
Purchasing Agent ____

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

PWU/PRCH CP/DS:le 01/07/2008

STATEMENT OF PURPOSE: This resolution will authorize the city of Duluth to exercise the last renewal option year in Article V of Agreement No. 20458 with Minnesota Power. This action ensures Minnesota Power's continued expert advice in the procurement of natural gas supplies for the city's natural gas utility.

The contract will be extended for one additional year, from January 1, 2009, through December 31, 2009, at an amount not to exceed \$31,800 (\$2,650 per month), payable from the gas fund.

The current contract is a continuation of the original contract begun in 2003. A new contract will be negotiated later for 2010.

Average monthly costs since 2005 are listed below.

Average monthly fees since 2005		
	Monthly	Annual
2005	\$6,920	\$83,040
2006	\$5,860	\$70,320
2007	\$5,300	\$63,600
2008	\$5,300	\$63,600
2009	\$2,650	\$31,800

Requisition No. 09-0059