

 CITY OF ST. CHARLES ILLINOIS • 1834	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item Number: 4a
	Title:	Recommendation to Approve a Resolution Authorizing the Director of Finance to Enter into an Agreement for Natural Gas Based on the Results of a Reverse Online Auction to be Conducted by Transparent Energy	
	Presenter:	Bill Hannah, Director of Finance	
Meeting: Government Operations Committee		Date: March 6, 2023	
Proposed Cost: \$TBD		Budgeted Amount: \$373,530	Not Budgeted: <input type="checkbox"/>
Executive Summary <i>(if not budgeted please explain):</i> <p>The city's current natural gas contract for the heating of all City facilities expires in October, 2023. The current three-year contract was sourced via a reverse auction managed by Transparent Energy. Transparent Energy was previously selected by the City following a RFP/RFI process and has successfully completed the previous reverse on-line auctions in 2017 and 2020. For the upcoming FY 2023-24 budget year, the City has budgeted \$373,530 for natural gas utility service.</p> <p>In recent discussions with Transparent Energy, staff has been made aware of significant declines in natural gas pricing for various reasons, and has recommended that a new reverse on-line auction be conducted soon, prior to the expiration of current contract in October, 2023. Previous sourcing through this process required a contract to be executed the day of the auction due to on-going, daily fluctuations in market pricing. In order to effectuate a contract, the City has previously provided the Director of Finance with the authorization to enter into an agreement the same day the auction is completed.</p> <p>The attached Resolution would authorize the Director of Finance to enter into a new agreement soon after the auction process is completed. Based on current pricing, staff is currently contemplating a new three-year agreement consistent with the prior two processes. Current market pricing indicates that the annual cost of a new agreement will be much less than what the City has budgeted for the upcoming year.</p>			
Attachments <i>(please list):</i> <p>Resolution Authorizing the Director of Finance to Enter into an Agreement for Natural Gas Based on the Results of a Reverse on-line Auction Conducted by Transparent Energy.</p>			
Recommendation/Suggested Action <i>(briefly explain):</i> <p>Seeking a Motion Recommending Approval of a Resolution Authorizing the Director of Finance to Enter into an Agreement for Natural Gas Based on the Results of a Reverse Online Auction to be Conducted by Transparent Energy</p>			

**City of St. Charles, Illinois
Resolution NO. 2023-**

**A Resolution Authorizing the
Director of Finance to Enter into an Agreement for Natural Gas
Based on the Results of a Reverse On-line Auction
to be Conducted by Transparent Energy.**

WHEREAS, it is necessary to provide Natural Gas to the city for the purpose of heating the city's buildings and facilities; and

WHEREAS, the City's current contract for procurement of natural gas expires in October of 2023; and

WHEREAS, Transparent Energy conducted the City's previous reverse on-line auctions for procurement of natural gas in 2017 and 2020; and

WHEREAS, the City was pleased with the results of the reverse on-line auctions in 2017 and 2020; and

WHEREAS, the city has determined, based upon a previous Request for Information / Request for Proposal, that the most appropriate means to source Natural Gas is via a reverse auction hosted by a third party i.e. Transparent Energy; and

WHEREAS, once the reverse auction is conducted, the city would be required – within hours - to enter into an agreement with the provider offering the Best Value to the city in order to take advantage of the pricing achieved.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, that Transparent Energy will conduct a reverse on-line auction for the procurement of natural gas services, and upon the conclusion of the reverse on-line auction that the Director of Finance be authorized to enter into a contractual agreement for Natural Gas with a provider offering the best value to the city.

PRESENTED to the City Council of the City of St. Charles, Illinois, this 20th day of March, 2023.

PASSED by the City Council of the City of St. Charles, Illinois this 20th day of March, 2023.

APPROVED by the Mayor of the City of St. Charles, Illinois, this 20th day of March, 2023.

Lora Vitek, Mayor

ATTEST:

City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain: