

ADMINISTRATION RECOMMENDATION/REPORT

The District President recommends the Board of Trustees approves a renewal of the contract for natural gas supply from State of Texas General Land Office (GLO) for the Plano and Frisco campuses.

BACKGROUND

The Board of Trustees approved an Interagency Cooperation Agreement with the GLO on January 28, 2014 to provide natural gas to the Plano and Frisco campuses. The GLO cost of the commodity will be based on the First Month Natural Gas Index plus \$0.40.

The Texas Legislature authorized natural gas sales by the GLO to maximize revenues from the oil and gas royalties earned from state land in 1983. As an alternative to receiving these royalties in cash, the GLO could by agreement take some of the natural gas as “in-kind” and sell the gas directly to public retail customers.

Atmos Energy Company, the local distribution company, requires an annual average usage of 25 MMBtus or more each day for transportation; therefore, only two of the college meters, one located at the Plano Campus and one at the Frisco Campus, are eligible to be included in the GLO contract.

IMPACT OF THIS ACTION

The GLO has approximated savings to be 20% over the contract term compared to what the District would pay Atmos. This is based on historical differences between contracting with the GLO versus what we would have paid using Atmos. The District’s energy consultant, Energy Edge Consulting, evaluated the proposed extension from the GLO, agreed that it would result in a significant savings to the District, and recommended we accept the proposed extension.

BUDGET INFORMATION (INCLUDING ANY STAFFING IMPLICATIONS)

This purchasing request is for spend authorization of \$630,000 which is budgeted in the Plano and Frisco campuses’ Facilities Maintenance Departments’ FY 23 operating budget and subsequent years’ budgets subject to Board approval.

MONITORING AND REPORTING TIMELINE

The term of contract is September 1, 2022 through August 31, 2024.

RESOURCE PERSONNEL

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