

Item 9-C



MEMORANDUM

Office of the Vice President for Administrative Services

To: Dr. Ponce and the Board of Trustees

From: Dr. Gisela Figueroa

Date: April 8, 2025

Re: Consideration for approval of the procurement of a new gas service line from Atmos Energy Corporation through a sole source contract.

Staff Recommendation: Approval

The Board is asked to approve the procurement of a new gas service line from Atmos Energy Corporation through a sole-source contract.

.

Item 9-C



Purchase Approval

Description: Consideration for approval of a new gas service line from Atmos Energy Corporation through a sole source contract.

Recommendation: The Board is asked to approve the procurement of a new gas service line from Atmos Energy Corporation through a sole-source contract.

The new Health Sciences Center (HSC) expansion construction project is underway, and we must now plan for the utilities. Stantec approached Atmos Energy Corporation to begin fielding offers to connect natural gas services to the new HSC facility. Atmos Energy Corporation is our location's only uninterrupted natural gas services provider. This project requires Atmos Energy Corporation to design and trench 940' of additional pipe to be placed from the nearest existing service location to get the service to the new HSC facility. Atmos Energy Corporation determined it will split 50% of the cost of construction, labor, materials, engineering, permits, and overhead with the college.

The college's portion of the estimated cost for this is \$52,056 (due upon execution of the agreement). That amount could be increased depending on whether additional costs are identified during the project. If any extra costs are identified, they will not exceed 120% of the original estimate or \$62,467.20. In addition, after the project's completion, if the project costs were less than the deposit, then Atmos Energy will refund the difference between the deposit and their actual costs.

Purchases made from Atmos Energy Corporation through a sole-source contract satisfy the required bidding laws in Texas Education Code 44.031, specifically Texas Education Code 44.031 (j) (3). The college district complies with the purchasing laws by purchasing a utility service only available from one source. Atmos Energy Corporation is the college's only option for purchasing uninterrupted natural gas services.

Funding for the new gas service line from Atmos Energy Corporation is available through Fund 62. Based on the information provided, the Board of Trustees is now asked to approve a purchase from Atmos Energy Corporation through a sole source contract not exceeding \$62,467.20. The Board of Trustees is also asked to authorize the Vice President of Administration or designee to approve any change orders up to the amount allowed by the Texas Education Code 44.0411.

Funds Available:

_____ Budgeted

_____ Fund Balance

 X Other: Fund 62

Item 9-C



Approved:

Gisela Figueroa
Vice President for Administrative Services

Date