

InterOffice Memorandum

March 28, 2014

To: Judy Davis/Contract Administrator

From: Dan James/Facilities Director

RE: Interlocal Cooperation Contract: GLO Contract No. 14-281-000-8451

A gas marketing program at the Texas General Land Office, GLO, was established in 1983 through the state's appropriation bill which directed state agencies to reduce their utility costs by buying lower-priced gas being produced on state lands. This program has been expanded to allow the participation of many entities, i.e. school districts, local governments and other public retail customers throughout the state. Collin County will be able to lock in gas prices to get some level of price stability, either long term or short term. Based on data from Atmos, Collin County only has one location that qualifies for this program, Collin County Justice Center Meter #000006023; and, based on the same data, Collin County could save approximately 21% or \$35,728. A requirement of this program is the installation of telemetry equipment on the gas meter (communication device). The cost of this equipment is \$4,346.00 to be expended from the Shared-Natural Gas line item 001-4019-560-8003.

I am requesting approval to enter into an Interlocal Cooperation Contract with GLO – Texas General Land Office, Contract No. 14-281-000-8451 and am requesting to make the following changes to the Contract Exhibit's B and C: Should include signature lines for Dan C. James, Facilities Director and George King, Utilities Manager instead of the Purchasing Agent. Exhibit B relates to the "Monthly Gas Consumption Election" and Exhibit C relates to amendments to "Scheduled Gas Volumes" – ability to amend the scheduled volume. Contract shall be effective June 1, 2014 through and including May 31, 2017.

Thank you for consideration of my request. If I can be of further assistance please do not hesitate to contact me at extension 5331.