



Lexington-Fayette Urban County Government
DEPARTMENT OF PUBLIC SAFETY

Jim Gray
Mayor

Clay Mason
Commissioner

To: Richard Moloney, CAO
Mayor Jim Gray
Councilmembers

From: Rodney Ballard, Director *RB*
Division of Community Corrections

Date: May 2, 2012

Subject: Approval of Natural Gas Purchase for Community Corrections

Requesting approval to enter into a two year contract with the lowest responsive bidder for natural gas supplied under Columbia Gas of Kentucky's Delivery Service tariff as long as the price does not exceed NYMEX plus \$.35Dth. Under the DS tariff rate, LFUCG solicits bids from approved suppliers through Fellon McCord, its consultant on natural gas pricing. This process is the most cost effective way to procure natural gas for the detention center. Currently, the detention center is under contract with Constellation New Energy Gas for a term ending July 31, 2012.

The offers obtained through this process are only valid for 24 hours and the price and term of the offer are set forth in the terms of the bid. Upon approval of the bid, the LFUCG will enter into a two year contract with the lowest responsive bidder beginning August 1, 2012.

The fiscal impact for FY2013 will be \$240,000. Funds are budgeted in 1101-505401-5411-72102.

cc: Clay Mason, Commissioner
Department of Public Safety