

February 15, 2001

01-050

AUTHORIZATION TO INCREASE EXPENDITURE
LEVEL OF IGI RESOURCES CONTRACT FOR
NATURAL GAS

PREPARED BY: Denise Jeffords, Buyer/Contract Specialist

FINANCIAL
RESPONSIBILITY: Director, Physical Plant

APPROVED BY: Randy McEwen, Vice President, Administrative Services
Dan Moriarty, President

REPORT: At the August 27, 1997 meeting, the Board authorized the award of a natural gas contract to IGI Resources for an estimated expenditure of \$200,000 for a one-year term through April 30, 1998 (#98-021). This contract was the result of a formal Request for Proposals process completed by the Willamette Valley Gas Users Group (WVG), comprised of Oregon State University, University of Oregon, Portland State University, Portland Community College and Lane Community College, to collectively purchase natural gas transportation and service. The contract contained the option for additional one-year term extensions through April 30, 2006.

At the May 21, 1998 meeting, the Board authorized the first one-year term extension of this contract (#98-136). At the April 15, 1999 meeting, the Board authorized the annual extensions of the term through April 30, 2006 (#99-102) for an estimated annual expenditure of up to \$260,000. This fiscal year it is estimated that the IGI Resources contract expenditure costs need to be increased to approximately \$425,000. The reason for this significant increase is due to energy costs rising dramatically as demand more closely matches supply.

As the annual expenditures for the IGI Resources contract will be higher this fiscal year than originally authorized, and

most likely will be through the remainder of the contract term, additional expenditure authorization is requested from the Board.

RECOMMENDATION: That the Board of Directors authorize the increased annual expenditure level of \$425,000 for the IGI Resources contract through April 30, 2006. All expenditures for the services will be from general funds.

Director Anderson moved to approve by consent agenda Resolutions 01-049 through 01-055, 01-057 and 01-058; it passed unanimously.