

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, APPROVING AND AUTHORIZING THE CITY MANAGER OR DESIGNEE TO ENTER CONTRACTS FOR THE PURCHASE OF FIRM NATURAL GAS SUPPLIES FOR THE CITY'S NATURAL GAS DISTRIBUTION SYSTEM FOR A PERIOD OF UP TO FIVE YEARS AND IN AMOUNTS UP TO THE FULL REQUIREMENTS OF THE SYSTEM, AS WELL AS A CONTRACT FOR ASSOCIATED GAS MANAGEMENT BALANCING AND SCHEDULING SERVICES.

WHEREAS, the City of Mesa owns and operates a municipal gas distribution utility and is authorized by the provisions of the Laws of the State of Arizona and the City of Mesa City Charter to acquire, purchase and manage supplies necessary to meet the requirements of the residential, commercial and industrial customers served by such utility; and

WHEREAS, the City of Mesa Energy Resources Department issued a Request for Proposals, NGRFP-1015 ("RFP") for gas supplies and associated gas management balancing and scheduling services; and

WHEREAS, Shell Energy North America, LP, BP Energy, and Sequent Energy Management (collectively the "Suppliers") in response to the City's RFP have offered to sell to the City a supply of natural gas and/or to provide associated gas management balancing and scheduling services; and

WHEREAS, the City desires to acquire natural gas for resale by its municipal gas distribution utility and further desires to enter into agreements with one or more of said Suppliers for such supplies to be delivered over the RFP stipulated period of three (3) years with renewal options for up to two (2) years (the "Supply Period").

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, AS FOLLOWS:

Section 1. The City hereby approves the procurement firm natural gas supplies based on best and final pricing and terms for the Supply Period beginning on January 1, 2016, as well as the procurement of associated gas management services for scheduling and balancing of gas supplies, including the hourly, daily and monthly balancing through purchase and sale of gas supplies as necessary to meet Mesa's total gas delivery requirements (the "Management Services").

Section 2. The City Manager or his designee is hereby authorized and directed to enter a contract with one Supplier, in the form of a North American Energy Standards Board Base Contract (NAESB) and associated Confirm or similar contractual documents and with such additions, deletions, and substitutions as shall be approved by the City Attorney or his designee, pursuant to which for the Supply Period such Supplier (the "Base Supplier") shall provide up to 100% of the City's total gas delivery requirements per day, with a minimum of 2,500

Dekatherms (“DTh”)/Day (the “Base Supply”), and by which the City will also retain a right to secure firm natural gas supplies from Suppliers on a periodic basis to meet any of its needs over and above the Base Supply.

Section 3. The City Manager or his designee is hereby authorized and directed to enter a contract for Management Services, with such additions, deletions, and substitutions as shall be approved by the City Attorney or his designee, pursuant to which during the Supply Period the selected Supplier will provide the Management Services in a non-discriminatory manner as to the source of supply.

Section 4. The City Manager or his designee is further authorized and directed during the Supply Period to enter one or more individual contracts, with such additions, deletions, and substitutions as shall be approved by the City Attorney or his designee and the City Manager or his designee, pursuant to which Suppliers may sell to the City and the City may purchase seasonal supplemental, firm natural gas supplies in amounts above the Base Supply but not to exceed a total of 5,000 DTh/Day, for periods not to exceed six months.

Section 5. The signing by the City Manager and approval by the City Attorney or their designees of the various contracts authorized by this Resolution shall constitute conclusive evidence of this Council’s approval thereof.

Section 6. The various City officers and employees are hereby authorized to execute any such other closing documents or certificates which may be required or contemplated in connection with the execution and delivery of the Agreements, and authorized and directed to perform all other acts necessary to carry out the intent and purpose of this Resolution.

PASSED AND ADOPTED by the City Council of the City of Mesa, Arizona, this 9th day of November, 2015.

APPROVED:

Mayor

ATTEST:

City Clerk