

# Mayor and Council Communication

**DATE:** 11/30/21

**M&C FILE NUMBER:** M&C 21-0907

**LOG NAME:** 21SYMMETRY NATURAL GAS CONTRACT, ALLIANCE MAINTENANCE FACILITY

**SUBJECT**

(CD 7) Authorize the Execution of a Gas Sales Agreement with Symmetry Energy Solutions for the Alliance Maintenance Facility

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**RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a Gas Sales Agreement with Symmetry Energy Solutions, LLC, relative to the purchase of natural gas supply for the Alliance Fort Worth Maintenance Facility.

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**DISCUSSION:**

In 2015 and in response to the transfer of the Alliance property; from the Alliance Airport Authority, Inc. to the City, it was necessary to ensure viability of operations and execute a natural gas sales agreement for the Alliance Maintenance Facility as emergency procurement; in accordance with Section 2-9(d)(10) of the City Code. Thus, City Secretary Contract No. 46466 was executed with Atmos Energy Marketing; effective February 20, 2015 at a fixed price for a term of three (3) years; beginning March 1, 2015 to February 28, 2018. Since the expiration of the agreement; the City of Fort Worth (City) has transacted agreements for gas volume on a month-to-month basis.

An agreement has been reached with Symmetry Energy Solutions; a retail natural gas provider, to supply natural gas to the City's Alliance Maintenance Facility at a reduced cost. The term of the agreement is for twenty-two (22) month term with month-to-month renewal options; utilizing New York Mercantile Exchange (NYMEX) pricing, and locking in the approximate adder cost of \$.020 per one million British Thermal Units (MMBTU) instead of previous adder of \$1.50 MMBTU; yielding a significant anticipated annual savings of \$61,500.00.

Execution of this gas sales agreement allows the City to take the initiative of being an active participant concerning the natural gas market, realize benefits of indicative pricing, and reduce the City's cost for the Alliance Maintenance Facility and costs passed through to the tenants. Further, reduced cost increases the attractiveness for other potential tenants for the Alliance Maintenance Facility.

A Form 1295 is not required because: This contract will be with a gas utility: Symmetry Energy Solutions

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the recommendation, funds are available in the current operating budget, as previously appropriated, in the Alliance Maintenance Facility Fund. Prior to an expenditure being incurred, the Property Management Department has the responsibility to validate the availability of funds.

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