

**AUTHORIZE THE FIRST AND SECOND (FINAL) RENEWAL AGREEMENT WITH CONSTELLATION  
NEWENERGY-GAS DIVISION, LLC FOR NATURAL GAS SUPPLY SERVICES**

**THE INTERIM SUPERINTENDENT/CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING  
DECISION:**

Authorize the first and second (final) renewal agreement with Constellation NewEnergy - Gas Division, LLC to provide gas supply services to the Department of Facility Operations at an estimated annual cost set forth in the Financial Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to Constellation NewEnergy - Gas Division, LLC during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

Specification Number : 22-257

Contract Administrator : Zimnie, Stephen A / 773-553-2280

**VENDOR:**

- 1) Vendor # 97237  
CONSTELLATION NEWENERGY - GAS  
DIVISION, LLC  
1310 POINT STREET 8TH FLR  
BALTIMORE, MD 21231  
Patrick Livernois  
312 909-8108

**USER INFORMATION :**

Project  
Manager: 11880 - Facility Opers & Maint - City Wide  
  
42 West Madison Street  
  
Chicago, IL 60602  
  
Rehberg, Caleb M  
  
773-553-2960

PM Contact:  
11880 - Facility Opers & Maint - City Wide  
  
42 West Madison Street  
  
Chicago, IL 60602  
  
Hansen, Ivan  
  
773-553-2960

**ORIGINAL AGREEMENT:**

The original Agreement (authorized by Board Report 22-1207-PR10) in the amount of \$62,000,000 is for a term commencing January 17, 2023 and ending January 16, 2026, with the Board having two (2) options to renew for two (2) year terms. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

**OPTION PERIOD:**

The term of this agreement is being renewed for two (2) two (2) year terms commencing January 17, 2026 and ending January 16, 2030.

**OPTION PERIODS REMAINING:**

There are no option periods remaining.

**SCOPE OF SERVICES:**

Vendor will continue to supply the Board's full requirements for natural gas supply (including, but not limited to, space and hot water heating to all of the Board's facilities) under a block index purchase model that will allow the Board to purchase its required natural gas consumption in block each month dependent on market forecast during the term of the Agreement. Transition Plan to ensure a seamless transition as of the effective date, and upon termination, of the Agreement.

**DELIVERABLES:**

Vendor will continue to provide the delivery of natural gas supply.

**OUTCOMES:**

The Board will secure natural gas supply services at a competitive rate while at the same time providing the flexibility of being able to fix prices and make strategic purchases of incremental blocks of natural gas as part of the existing CPS Energy Purchasing Strategy. The Board will also be able to align its purchasers under the NYMEX market versus the Chicago Citygate market which will improve the Board's ability to monitor and police prices provided by its natural gas supplier.

**SECURITY DEPOSIT:** The Board may be required to pledge security to secure the performance of its obligations under the Agreement(s) in a form acceptable to the selected Proposer(s), including, without limitation, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty.

**AUTHORIZATION:**

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize the Chief Facilities Officer to execute all ancillary documents required to administer or effectuate this option agreement.

**BUSINESS ENTERPRISE PARTICIPATION:**

Pursuant to the Remedial Policy for Minority-Owned Business Enterprise (MBE) and Women-Owned Business Enterprise (WBE) participation in Goods and Services contracts. The MBE and WBE Policy, the contract is an excluded transaction pursuant to the Goods and Services Policy, for the aspirational goals of 30% MBE and 7% WBE. The exclusion is provided for the utility agreement or a transaction for a utility supplier organization.

**LSC REVIEW:**

Local School Council approval is not applicable to this report.

**FINANCIAL:**

Fund 230, Unit 11880 - Facility Opers & Maint - City Wide,

FY26 - \$4,000,000

FY27 - \$16,000,000

FY28 - \$16,000,000  
FY29 - \$16,000,000  
FY30 - \$12,000,000

Not to exceed \$64,000,000 for the two (2) two (2) year terms. Future year funding is contingent upon budget appropriation and approval.

**GENERAL CONDITIONS:**

The agreement shall contain general conditions including but not limited to the following: Inspector General provision, in accordance with 105 ILCS 5/34-13.1; Conflicts provision, in accordance with 105 ILCS 5/34-21.3; Indebtedness provision, in accordance with the Board's Indebtedness Policy adopted June 26, 1996 pursuant to Board Report 96-0626-PO3; Ethics provision, in accordance with the Board's Ethics Code as amended; and, Contingent Liability provision.

Approved for Consideration:



PATRICIA HERNANDEZ  
Chief Procurement Officer

Approved:



MACQUILINE KING, Ed.D  
Interim Superintendent/Chief Executive Officer

Approved: 



ELIZABETH K. BARTON  
Acting General Counsel