



MEMORANDUM

OCPPA Agenda
Item No. PPA. D
12/31/2024

The City of OKLAHOMA CITY

TO: Chairman and Trustees of the Oklahoma City Public Property Authority

FROM: Craig Freeman, City Manager/General Manager, OCPPA

Renewal No. 2 of Consulting Services Contract with Guernsey to provide expert assistance with the Oklahoma City Public Property Authority's third party natural gas contract, estimated cost \$48,000, February 1, 2025 through January 31, 2026.

Purpose:

The Oklahoma City Public Property Authority (OCPPA) is requesting Renewal of Professional services agreement with Guernsey for consulting services to assist the City in managing its third-party natural gas contract.

Background:

On December 7, 2021, the OCPPA (Item No. PPA.C.) approved a contract with Guernsey through January 31, 2024. On November 11, 2023, the OCPPA (Item No. PPA.B.) approved the first one-year renewal contract with Guernsey through January 31, 2025. Staff requests the OCPPA approve the second one-year renewal of this agreement for the term from February 1, 2025 through January 31, 2026. This is the second one-year renewal of three.

The City currently has 37 facilities that use natural gas in sufficient volumes to qualify for use of a third-party natural gas supplier rather than the local natural gas utility, Oklahoma Natural Gas (ONG). The City consolidates and manages the third-party gas contract through the OCPPA. In FY24 City staff estimated that \$1.7 million was spent on the third-party natural gas program. Had the same amount of gas been purchased from ONG the cost would have been approximately \$2.15 million. The savings from the program totaled \$443,000 or 20.6% on natural gas costs by purchasing natural gas through a third party rather than ONG.

Guernsey provides expert advice on when to place orders for natural gas from our third-party provider and at what prices. In addition, Guernsey will provide expert advice on the required nominations for future gas usage and ensure that invoices from ONG and our third-party provider are correct.

Estimated Cost:

\$48,000 annually

Source of Funds:

NATURAL GAS > OCPPA > 460X > Assigned > G > Non-Departmental OCPPA > PROFESSIONAL SERVICES-OTHER (OCPPA-4899-9802000-52040046)

Review:
Finance Department

Recommendation: Contract be renewed.