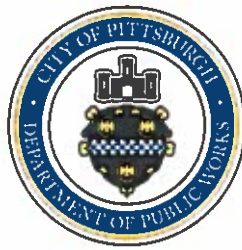


WILLIAM PEDUTO  
MAYOR



MICHAEL GABLE  
DIRECTOR

CITY OF PITTSBURGH  
**DEPARTMENT OF PUBLIC WORKS**  
CITY-COUNTY BUILDING

October 19, 2020

President and Members of City Council  
City of Pittsburgh

**Re: Service Agreement with Snyder Brothers Inc.**

Dear President and Members of City Council:

Attached is a proposed resolution authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into an amendment or amendments to the purchasing agreement with Snyder Brothers Inc. for the continued supply of natural gas to the City's buildings and facilities, and extending the term of current purchasing agreement for two years until December 2024.

Your favorable consideration of the attached proposed Resolution is hereby requested.

Sincerely,

A handwritten signature in blue ink that reads "Michael Gable".

Michael Gable, CPRP  
Director

**Fiscal Impact Statement**  
*Updated 1/29/2020 to satisfy City Code §219.07*

<b>Department</b>	Department of Public Works
<b>Preparer</b>	Sarah Yeager
<b>Standing Committee Representative</b>	Michael Gable, Chris Hornstein, Grant Ervin, Sarah Yeager
<b>Type of Legislation</b>	Contract Authorization

**Description of Legislation**

Resolution authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into an amendment or amendments to the purchasing agreement with Snyder Brothers Inc. for the continued supply of natural gas to the City’s buildings and facilities, and extending the term of current purchasing agreement for two years until December 2024. The City plans to soon develop a competitive solicitation for procurement of natural gas purchases in 2025 and beyond.

For the time period of January 2023 through December 2024, Snyder Brothers Inc. shall supply natural gas to the City at the following prices from the respective producers as indicated below:

**PNG EQT Accounts** \$2.58 / cg DTH

**PNG Peoples Accounts** \$2.545 / cg DTH

**CPA Accounts** \$2.67 / cg DTH

These rates reflect the current state of the natural gas markets and allow the City to benefit from the current drop in gas prices. For comparison, the City’s 2021 rates for Equitable, Peoples, and CPA are \$2.85, \$2.79, and \$2.79 respectively.

<b>Total Cost</b>	\$0.00			
<b>Frequency of Expenditure</b>	<input type="checkbox"/> One-Time		<input checked="" type="checkbox"/> Multi-Year	
<b>Funding Source</b>	<input checked="" type="checkbox"/> Operating	<input type="checkbox"/> Capital	<input type="checkbox"/> Grant	<input type="checkbox"/> Trust Fund
<b>Is this item budgeted?</b>	<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> No	

**JDE Account Information**

In the 2020 Operating Budget, there is \$698,715 allocated for natural gas use.

Account Number: 450000.54601.54.2020

Account Number: 450000.54601.54.2021

Account Number: 450000.54601.54.2022

Account Number: 450000.54601.54.2023

Account Number: 450000.54601.54.2024

**Additional Operational Costs**

There are no additional operational costs associated with this contract.

**Impact on City Revenue**

Not applicable

**If the resolution authorizes a professional services contract, complete this page:**

<b><i>Method of Procurement</i></b> <i>Select one.</i>	<input type="checkbox"/> RFP	<input type="checkbox"/> Signed Waiver from OMB	<input checked="" type="checkbox"/> Amendment to Existing Contract <i>Do not fill out the rest of the form.</i>
---	------------------------------	--	--

**Name of Vendor and Award Justification**

List the name of the awarded vendor and its qualifications.

**Other Respondents**

List the other respondents. If there were none, clearly state that.

**Selection Criteria**

Describe the selection or scoring criteria.

**Selection Committee Representation**

List the department(s) or bureau(s) represented on the committee. Do not list individual names.

**Waiver Justification**

If a waiver was granted, explain the justification.

**EORC Synopsis**

Insert synopsis that was presented.

<b><i>Date Presented at EORC:</i></b> Insert date.	<input type="checkbox"/> Approved	<input type="checkbox"/> Not Approved
--	-----------------------------------	---------------------------------------

*Per §219.07 of the City Code, you must include an electronic copy of the solicitation or your signed waiver with your submission to the Office of Management and Budget.*

**Attachments**

- *Please attach any additional documents and/or exhibits.*

Resolution authorizing the Mayor and Director of the Department of Public Works to enter on behalf of the City of Pittsburgh into an amendment or amendments to the purchasing agreement with Snyder Brothers Inc. for the continued supply of natural gas to the City's buildings and facilities, and extending the term of current purchasing agreement for two years until December 2024. The City plans to soon develop a competitive solicitation for procurement of natural gas purchases in 2025 and beyond.

**WHEREAS**, the City has previously entered into a purchasing agreement with Snyder Brothers Inc. that currently extends until December 2022; and

**WHEREAS**, the City seeks to enter into said amendment(s) of the purchasing agreement with Snyder Brothers Inc. in order to timely secure advantageous pricing for years 2023 and 2024 and extend the purchasing agreement's term for two years accordingly; and

**WHEREAS**, the City will soon work towards developing a competitive solicitation for procurement of natural gas supply following the expiration of said purchasing agreement in years 2025 and beyond; and

**Be it resolved by the Council of the City of Pittsburgh as follows:**

**Section 1.** The Mayor and Director of the Department of Public Works are hereby authorized on behalf of the City of Pittsburgh to enter into an amendment or amendments to the purchasing agreement with Snyder Brothers Inc. for the continued supply of natural gas to the City's buildings and facilities, extending the term thereof for two years until December 2024.

**Section 2.** Said amendment or amendments shall not include not-to-exceed amounts due to the fact that compensation provided thereunder will be paid to Snyder Brothers Inc. from the City's utility bills payable to the various providers as identified below and according to the corresponding pricing schedule(s) attached thereto, chargeable to and payable from the following accounts in their respective budget years:

<b><u>2020</u></b>	450000.54601.54.2020
<b><u>2021</u></b>	450000.54601.54.2021
<b><u>2022</u></b>	450000.54601.54.2022
<b><u>2023</u></b>	450000.54601.54.2023
<b><u>2024</u></b>	450000.54601.54.2024

For the time period of January 2023 through December 2024, Snyder Brothers Inc. shall supply natural gas to the City at the following prices from the respective producers as indicated below:

**PNG EQT Accounts**      \$2.58 / cg DTH – 100% swing - Volumes reduced to approximately 74,000 / year based upon the past couple years of usage (original contract volumes = 112,304)

**PNG Peoples Accounts**      \$2.545 / cg DTH – 100% swing - Volumes reduced to approximately 15,200 / year based upon the past couple years of usage (original contract volumes = 21,110)

**CPA Accounts**              \$2.67 / cg DTH – 100% swing - Volumes increased to approximately 5,500 / year based upon the past couple years of usage (original contract volumes = 5,168)