



Legislation Text

File #: 19-0523R, **Version:** 1

RESOLUTION AUTHORIZING AN AMENDMENT TO A CONTRACT WITH VENTURE FUELS FOR THE PURCHASE AND DELIVERY OF APPROXIMATELY 14,500 TONS OF COAL TO DULUTH ENERGY SYSTEMS FOR AN ESTIMATED \$684,980.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to amend contract C22091 with Venture Fuels (a joint venture partnership between Midwest Energy Resources Company & NERCO Coal Sales, LLC) for the purchase and delivery of approximately 14,500 tons of western sub-bituminous coal to Duluth Energy Systems (DES) at the bid price of \$47.24 per ton, subject to changes in diesel fuel prices and other price adjustments, payable from 540-920-1490-5387 (Steam Fund; Steam Department; Steam Production; Coal).

STATEMENT OF PURPOSE: This resolution authorizes an amendment to contract C22091 with Venture Fuels for the purchase of approximately 14,500 tons of Spring Creek coal at Venture Fuel's bid price of \$47.24 per ton.

The actual amount of coal purchased since 2014 has decreased due to the conversion of two of the DES boilers to natural gas.

The Purchasing Division solicited bids for coal on July 12, 2019. Venture Fuels was the only supplier to submit a bid.