



Legislation Text

File #: 16-0742R, **Version:** 1

RESOLUTION AUTHORIZING AN AMENDMENT TO CONTRACT 22091 WITH VENTURE FUELS FOR THE PURCHASE AND DELIVERY OF COAL TO DULUTH ENERGY SYSTEMS FOR 2017 FOR AN ESTIMATED COST OF \$2,524,480 AND A NEW ESTIMATED CONTRACT TOTAL OF \$9,939,385.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to amend contract C22091 with Venture Fuels (Midwest Energy Resources Company) for the purchase and delivery of approximately 56,000 tons of western sub-bituminous coal to Duluth Energy Systems for one (1) additional year through December 31, 2017 at an estimated cost of Two Million Five Hundred Twenty-Four Thousand Four Hundred Eighty and no/100th dollars (\$2,524,480.00), subject to changes in diesel fuel prices and other price adjustments, payable from Steam Fund 540; Steam Department 920; Steam Production 1490; Object 5387 (coal).

STATEMENT OF PURPOSE: This resolution authorizes an amendment to City contract C22091 with Venture Fuels for the purchase of an additional one (1) year of fuel for the Duluth Steam plant.

Total quantity may change due to energy needs during the year. The delivered cost per ton is subject to rail and trucking fuel price adjustments per the terms contained in the existing contract.

Annual contract totals are as follows:

2014 - \$2,797,630.17 (actual)
2015 - \$2,003,754.56 (actual)
2016 - \$2,613,520.00 (estimated)
2017 - \$2,524,480.00 (estimated)

Estimated costs for the four-year term of the contract total \$9,939,384.73