

**MEMORANDUM
COUNTY OF PLACER
ADMINISTRATIVE SERVICES DEPARTMENT
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors

FROM: David Seward, Purchasing Manager 

DATE: March 20, 2007

SUBJECT: Approve the Renewal of Negotiated Blanket Purchase Order (BPO) No. 13535 with Pacific Gas and Electric in Accordance with Section 7.2 of the Purchasing Policy Manual for Compressed Natural Gas as a Motor Vehicle Fuel in the Maximum Amount of \$145,000.00.

ACTION REQUESTED

Approve the renewal of Negotiated Blanket Purchase Order (BPO) No. 13535 with Pacific Gas and Electric (PG&E) for the purchase of compressed natural gas (CNG) in the maximum amount of \$145,000.00, and authorize the Purchasing Manager to sign the resulting BPO.

BACKGROUND

The Department of Public Works (DPW) has been purchasing CNG from PG&E for several years as a fuel for its fleet of natural gas transit buses, passenger sedans, and work trucks. The natural gas purchased on this agreement is piped directly to the County's own re-fueling station where it is compressed for fueling these vehicles.

The contract price fluctuates within current market conditions and is based on Rate Schedule G-NGV-1. The elements of the rate include a per therm procurement charge and a per therm transportation charge.

Section 7.2 of the Purchasing Policy Manual allows for negotiated contracts when it is difficult to competitively bid a blanket purchase order.

FISCAL IMPACT

Attachment A shows the various charges that are billed to the County under this contract. The most current combined procurement and transportation charge is \$0.76004, which is down from \$0.90211 a year ago. The BPO resulting from this recommendation will total \$145,000.00 and will be effective from April 1, 2007 through March 31, 2008. There is sufficient funding in DPW's FY 2006-07 budget for these expenditures.

Attachment

Attachment A - Schedule G-NGV-1

cc: Chuck Gordon, DPW Fleet Services
Dena Beyer, DPW Administration

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