

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

TO: Honorable Board of Supervisors

FROM: Jim Boggan, Purchasing Manager *JB*

DATE: March 11, 2008

SUBJECT: Approve the Renewal of Sole Source Blanket Purchase Order No. 14507 with Pacific Gas and Electric for Natural Gas for Compression as a Motor Vehicle Fuel in the Maximum Amount of \$150,000.00

ACTION REQUESTED

Approve the renewal of sole source Blanket Purchase Order (BPO) No. 14507 with Pacific Gas and Electric (PG&E) for the purchase of natural gas for compression as a motor vehicle fuel in the maximum amount of \$150,000.00, and authorize the Purchasing Manager to sign the resulting BPO.

BACKGROUND

The Department of Public Works (DPW) has been purchasing piped-in natural gas for compression as a motor vehicle fuel from PG&E for several years to fuel 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.

Since PG&E is the only supplier of piped-in natural gas in Placer County, this purchase is sole source in accordance with the Purchasing Policy Manual, Paragraph 1.3 (l).

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 \$0.89059 per therm, which is up from \$0.76004 a year ago. The BPO resulting from this recommendation will total \$150,000.00 and will be effective from April 1, 2008 through March 31, 2009. DPW's Fiscal Impact Statement is attached.

Attachments:

Attachment A – Schedule G-NGV-1
Attachment B – DPW Fiscal Impact Statement

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



SCHEDULE G-NGV1—EXPERIMENTAL NATURAL GAS SERVICE
 FOR COMPRESSION ON CUSTOMER'S PREMISES

APPLICABILITY: This rate schedule* applies to natural gas service to Core End-Use Customers on PG&E's Transmission and/or Distribution Systems. Service is for uncompressed natural gas for the sole purpose of compressing it for use as a motor-vehicle fuel. Compression of natural gas to the pressure required for its use as motor-vehicle fuel will be performed by the Customer's equipment at the Customer's designated premises only.

TERRITORY: Schedule G-NGV1 applies everywhere PG&E provides natural gas service.

RATES: Customers on this schedule pay a Customer Charge, a Procurement Charge and a Transportation Charge, per meter, as specified below. Customers that have executed a Request for Reclassification from Noncore Service to Core Service (Form 79-983) will pay the Customer Charge and Transportation Charge shown below. Such Customers will pay the Procurement Charge specified in Schedule G-CPX for any of the first twelve (12) regular monthly billing periods that they are taking core procurement service from PG&E. After the twelfth regular monthly billing period, such Customers will pay the Procurement Charge specified on this schedule.

	<u>Per Day</u>
Customer Charge:	\$0.44121
	<u>Per Therm</u>
Procurement Charge:	0.82862 (l)
Transportation Charge:	<u>0.06197</u>
Total:	\$0.89059 (l)

Public Purpose Program Surcharge:

Customers served under this schedule are subject to a gas Public Purpose Program (PPP) Surcharge under Schedule G-PPPS.

The Customer's total charges are subject to adjustment for the applicable proportionate part of any taxes or governmental imposition which may be assessed on the basis of the gross revenues from such sales.

See Preliminary Statement, Part B for the Default Tariff Rate Components.

The Procurement Charge on this schedule is equivalent to the rate shown on informational Schedule G-CP—Gas Procurement Service to Core End-Use Customers.

SERVICE AGREEMENT: Customers must execute an Agreement For Supply of Natural Gas for Compression as a Motor-Vehicle Fuel (Form No. 79-755) in order to receive service under this rate schedule.

METERING REQUIREMENTS: Service under this schedule must be metered by a separate gas meter.

* PG&E's gas tariffs are available online at www.pge.com.

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SCHEDULE G-NGV1—EXPERIMENTAL NATURAL GAS SERVICE
FOR COMPRESSION ON CUSTOMER'S PREMISES

(Continued)

ALTERNATIVE
PROCUREMENT
OPTIONS:

Customers may procure gas supply from a party other than PG&E by taking service on this schedule in conjunction with Schedule G-CT—Core Gas Aggregation Service. Customers who procure their own gas supply will not pay the Procurement Charge component of this rate schedule and will be subject to the applicable rates specified in Schedule G-CT.

Customers taking service on this schedule in conjunction with Schedule G-CT, or in conjunction with noncore service, will be subject to a franchise fee surcharge under Schedule G-SUR for gas volumes purchased from parties other than PG&E and transported by PG&E.

Service under this schedule may also be taken in conjunction with procurement service from a party other than PG&E if: (1) the Customer is taking noncore service at the same premises, and (2) the Customer executes a Natural Gas Service Agreement (Form No. 79-756) with PG&E. Service will be provided in increments of one year. If there is a difference between actual deliveries and actual usage, such differences will be subject to the terms and conditions of Schedule G-BAL. Customers who procure their own gas supply will not pay the Procurement Charge component of this schedule.

Transportation volumes will be subject to a shrinkage allowance in accordance with Rule 21.*

The Customer may, at its option, receive firm interstate capacity directly assigned by PG&E as provided in Rule 21.1.

CURTAILMENT
OF SERVICE:

Service under this rate schedule may be curtailed. See Rule 14 for details.

* The rules referred to in this schedule are part of PG&E's gas tariffs. Copies are available at local offices.

FISCAL IMPACT STATEMENT

DEPARTMENT OF PUBLIC WORKS
County of Placer

TO: Honorable Board of Supervisors
FROM: Ken Grehm, Director
DATE: February 5, 2008
SUBJECT: **Fiscal Impact Statement**
Renew BPO for PG&E CNG Motor Vehicle Fuel

Fiscal Impact Statement Examples

The department has budgeted appropriately for this purchase and funding is available in the FY 2007-08 department budget.