

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

TO: Honorable Board of Supervisors
FROM: David Seward, Purchasing Manager *DS*
DATE: March 21, 2006
SUBJECT: Recommendation to Approve Change Order No. 1 to BPO No. 12736 with Pacific Gas & Electric by \$37,500 to a Maximum Amount of \$161,000.00.

ACTION REQUESTED

Approve Change Order No. 1 to BPO No. 12736 with Pacific Gas & Electric (PG&E) for the purchase of compressed natural gas (CNG) by \$37,500.00 to a maximum amount of \$161,000.00, and authorize the Purchasing Manager to sign the revised BPO.

BACKGROUND

On April 19, 2005, your Board approved the award of a BPO to PG&E in the maximum amount of \$124,000.00. Since that time, the cost of CNG has increased by more than 18%. DPW continues to replace aging diesel buses with new CNG buses. The fleet is now nearly 100% CNG. These conditions have prematurely depleted the funds set aside for this contract.

DPW anticipates that an additional \$37,500.00 is required to cover purchases through the end of the contract term, which expires on March 31, 2006.

FISCAL IMPACT

The revised BPO resulting from this recommendation will total \$161,000.00. DPW is sufficiently funded for these increased expenditures. The increased usage of CNG is partially being offset by a decrease in diesel usage as the County continues to replace diesel buses with CNG buses.

Cc: Dennis Gage, DPW Fleet Services
Gwenda Howell, DPW Administration

