



**MEMORANDUM
PROCUREMENT SERVICES**
County of Placer

TO: Honorable Board of Supervisors **DATE:** April 5, 2022
FROM: Todd Leopold, County Executive Officer
BY: Brett Wood, Purchasing Manager
SUBJECT: Natural Gas as a Motor Vehicle Fuel – Pacific Gas and Electric Company

ACTION REQUESTED

1. Approve an increase to Supplier Contract No. SCN103492 with Pacific Gas and Electric Company of Sacramento, CA for the purchase of natural gas for compression as a motor vehicle fuel in the amount of \$40,000 resulting in a revised maximum amount of \$200,000.
2. Approve the renewal of the amended supplier contract with Pacific Gas and Electric Company in the maximum amount of \$200,000, for the period of April 1, 2022 through March 31, 2023.
3. Approve the option to renew the agreement on a year-to-year basis for three (3) additional one-year terms in the recommended award amount of \$200,000 and authorize change orders up to a maximum amount of \$20,000 consistent with Placer County's Procurement Policy.
4. Authorize the Purchasing Manager to sign all required documents.

BACKGROUND

The Department of Public Works Fleet Services Division (DPW) requires an annual agreement for the purchase of piped-in natural gas for compression as a motor vehicle fuel product to fuel its fleet of natural gas transit buses, passenger sedans, and work trucks. DPW has been purchasing piped-in natural gas from Pacific Gas and Electric Company (PG&E) for several years which provides convenient delivery of natural gas piped directly to the County's refueling station at the DeWitt Center where it is compressed for fuel dispensing. The current agreement expired on March 31, 2022.

An increase to the contract is necessary to provide DPW with the means to pay for their fuel requirements through the current agreement period. The contract price for fuel fluctuates within current market conditions and is based on Rate Schedule G-NGV1 and G-PPPS (Public Purpose Program Surcharge). The natural gas rate has fluctuated from \$1.33318 to \$0.94705 per therm over the last twelve months and PG&E has agreed to continue providing the current method of delivery.

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Because PG&E is the only supplier of piped-in natural gas in the Auburn area, this purchase is considered sole source in accordance with Section 3.6(A) of the Procurement Policy.

The requested increase exceeds the Purchasing Manager's change order authority and requires your Board's approval in accordance with Procurement Policy Section 6.1(E). The resulting renewals will also be in excess of the Purchasing Manager's authority, and therefore your Board's approval is being requested at this time.

FISCAL IMPACT

This agreement is funded by revenue collected primarily from Fleet direct charges to departments with a minor amount collected from Fleet rate charges to departments with no additional General Fund impact. Funds are not encumbered until services are performed against the resulting agreement.

ATTACHMENTS

N/A