

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

**TO:** Honorable Board of Supervisors  
**FROM:** Brett Wood, Purchasing Manager  
**DATE:** March 25, 2014  
**SUBJECT:** Natural Gas as a Motor Vehicle Fuel – Pacific Gas and Electric Company

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**ACTION REQUESTED**

1. Approve the renewal of a sole source blanket purchase order with Pacific Gas and Electric Company of Sacramento, CA for the purchase of natural gas for compression as a motor vehicle fuel in the maximum amount of \$160,000, funded by revenue collected from Fleet rate and Fleet direct charge customers with no net County cost, for the period of April 1, 2014 through March 31, 2015;
2. Approve the option to renew the resulting blanket purchase order on a year-to-year basis for three additional one-year terms provided that each renewal amount does not exceed 10 percent in aggregate of the recommended award amount of \$160,000; and
3. Authorize the Purchasing Manager to sign the resulting blanket purchase orders.

**BACKGROUND**

The Department of Public Works Fleet Services Division (DPW) requires an annual blanket purchase order (BPO) for the purchase of piped-in natural gas for compression as a motor vehicle fuel. DPW has been purchasing piped-in natural gas from Pacific Gas and Electric Company (PG&E) for several years to fuel its fleet of natural gas transit buses, passenger sedans, and work trucks. The natural gas purchased through this agreement is piped directly to the County's refueling station at the DeWitt Center where it is compressed for fueling County vehicles. On March 12, 2013 your Board approved the issuance of BP020421 to PG&E for the period of April 1, 2013 through March 31, 2014.

The contract price fluctuates within current market conditions and is based on Rate Schedule G-NGV1 and G-PPPS (Public Purpose Program Surcharge). The elements of the rate include a per therm procurement charge, a per therm transportation charge, and a per therm PPP Surcharge. The natural gas rate has increased from \$0.63349 to \$0.8017 per therm over the last twelve months.

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 1.3(l) of the Purchasing Policy Manual (PPM). PPM Section 1.3(o) also allows for the renewal of a contract based on the vendors' satisfactory contract performance.

**FISCAL IMPACT**

Upon your Board's approval, a BPO will be awarded to PG&E in the maximum amount of \$160,000 and will be effective for the period of April 1, 2014 through March 31, 2015. This BPO is funded by revenue collected from Fleet rate and Fleet direct charge customers with no net County cost.

cc: Cynthia Taylor, Senior Administrative Services Officer - Public Works  
Chuck Gordon, Manager-Fleet Operations - Public Works

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