

Jason Jo

From: Sander Huang
Sent: Wednesday, April 10, 2019 11:06 AM
To: Jason Jo
Subject: RE: Clean Energy Fuel Price Agreement

Hi Jason,

Thank you for the email. You are correct that this is a commodity that waives the bidding requirements. I have reviewed the pricing agreement from CNG I am waiving the requirement of a written contract per Section 2605 (b)(1) for the purchase of CNG gas from Clean Energy.

If you have any questions, please let me know.

Regards,

Sander Huang

Purchasing Manager | Purchasing Division
310.952.1758 x1233
shuang@carson.ca.us

From: Jason Jo
Sent: Wednesday, April 10, 2019 10:51 AM
To: Sander Huang
Subject: Clean Energy Fuel Price Agreement

Hi Sander,

Background:

To operate our Carson Circuit, our buses run on compressed natural gas (CNG) and fuel up at Clean Energy CNG stations in Carson and Long Beach. The City has a corporate account with Clean Energy and we have been provided with preassigned fuel cards for ten (10) Carson Circuit buses and two (2) Public Work trucks. To audit for excessive or negligent use of the cards, we can compare the reported mileages on monthly CNG invoices with monthly route mileage reports provided by our bus contractor.

Clean Energy provides the City with an annual Fuel Price Agreement which provides a fuel discount per gasoline gallon equivalent (GGE) based on total monthly volume. This allows us to waive bidding requirements for CNG as it categorized as fuel being sold under market price - Section 2611 (i)(11) of the CMC. As our aggregate CNG purchases are greater than \$25,000 per fiscal year, we request the approval of the purchases with our City Council in order to set up a blanket purchase order (BPO) for each year. Also, as fuel is categorized as a commodity/supply, the Purchasing Manager is able to waive the requirement of a written contract – Section 2605 (b)(1).

Recommendation:

I've attached the latest Fuel Price Agreement from Clean Energy to this message. Upon the completion of your review, I ask that the requirement of a written contract be waived so we may proceed to execute the Fuel Price Agreement and create a BPO for FY 19-20. Please let me know if you have any questions.