

Meeting Date: 4/30/2013

Report Type: Consent

Report ID: 2013-00313



Title: Agreement: Purchase of Liquefied Natural Gas (LNG)Fuel

Location: Citywide

Issue: This Memorandum of Understanding (MOU) will allow the City to purchase LNG fuel from the County and use the County's LNG fuel dispensing infrastructure located at the County's North Area Recovery Station to provide LNG fuel for the Solid Waste and Recycling.

Recommendation: Pass a Motion: 1) approving the use of County of Sacramento's cooperative purchase agreement (Contract No. WA00023537) with Clean Energy for the purchase of liquefied natural gas (LNG) fuel in an amount not to exceed \$2 million to purchase fuel at the County's North Area Recovery Station through July 31, 2013 or as long as the cooperative purchase agreement is available for use; 2) authorizing the City Manager or the City Manager's designee to execute a Memorandum of Understanding (MOU) with the County of Sacramento (County) to utilize the County's LNG fuel dispenser at the County's North Area Recovery Station at the rate of \$.10 per gallon; 3) authorizing the City Manager or the City Manager's designee to execute purchases in the amount specified above and to execute the MOU specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year; and 4) ratifying prior purchases of LNG fuel made in FY2012/13 in the amount \$236,261 based on rates in the cooperative purchase agreement mentioned above and the County's \$.10 per gallon fee.

Contact: Keith Leech, Fleet Manager, (916) 808-5869, General Services Department

Presenter: None

Department: General Services

Division: Fleet Management Admin

Dept ID: 13001311

Attachments:

1-Description/Analysis

2-MOU

3-Cooperative Agreement

City Attorney Review

Approved as to Form

Kourtney Burdick

4/22/2013 8:59:56 AM

City Treasurer Review

Reviewed for Impact on Cash and Debt

Russell Fehr

4/12/2013 12:33:33 PM

Approvals/Acknowledgements

Department Director or Designee: Reina Schwartz - 4/18/2013 4:21:57 PM

Description/Analysis

Issue Detail: The Department of General Services, Fleet Management Division, has a customer requirement to provide LNG fuel in the north area of the City for the Solid Waste and Recycling Division. The recommendations in this report will allow Fleet Management to purchase LNG fuel using the competitive pricing in the County's cooperative purchase agreement with Clean Energy and to dispense the LNG fuel to City vehicles using the County's LNG fuel station located at the County's North Area Recovery Station (NARS).

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56 regarding the purchase of supplies and Resolution No. 2010-346 prohibiting the City from entering into any contract to purchase goods or services from any business or entity headquartered in Arizona.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve the purchase of fuel and are not considered to be a project in accordance with Section 15378(b)(2) of the CEQA Guidelines.

Sustainability: The recommended purchases are consistent with the Fleet Sustainability Policy adopted by City Council on February 16, 2010 (Resolution No. 2010-083).

Commission/Committee Action: None

Rationale for Recommendation: The Department of General Services, Fleet Management Division, has a customer requirement to provide LNG fuel in the south and north areas of the City for the Solid Waste and Recycling Division.

On October 30, 2012, the City Council passed a Motion authorizing the use of the County cooperative purchase agreement (Contract No. WA00023537) with Clean Energy for the purchase of LNG fuel in an amount not to exceed \$4 million through July 31, 2013. This authorization allows Fleet Management to provide LNG fuel to the south area of the City using the City's LNG fuel station at the Meadowview City Service Center.

There is also a need to provide LNG fuel for City vehicles operating in the north area of the City to avoid the time and expense of repeated trips to the south area to refuel. However, the City does not currently own a north area LNG fuel station. The County uses the contract with Clean Energy to purchase fuel for use at its NARS site. The recommended MOU will allow the City to use the County's NARS site to dispense LNG fuel purchased under the Clean Energy contract.

The recommendations in this report will benefit the City by:

- Allowing the City to purchase LNG fuel for use in the north area on the same terms already in place for the south area, plus the County's administrative markup fee, currently set at \$.10 per gallon; and
- Allowing the City to use the County's LNG fueling station located at the County's NARS site. City Solid Waste trucks already use the County's NARS site to dispose of trash so using this location to also fuel vehicles will be an effective and efficient use of time.

This report also recommends the City Council ratify prior purchases of LNG fuel from the County made in FY2012/13 in the amount of \$236,261.

Financial Considerations: The cost of providing LNG fuel in the north area of the City is estimated to be \$400,000 per year. This is based on a review of prior fuel use and an estimate of the future need. Purchases will be made from the Department of General Services Fleet Management Division operating budget (Fleet Fund, Fund 6501) and charged to the Department of General Services Solid Waste and Recycling Division operating budget (Solid Waste Fund, Fund 6007). Sufficient funding exists in the FY2012/13 operating budgets of these divisions for purchases made through June 30, 2013. Purchases made after June 30, 2013 are subject to funding availability in the adopted budget of the applicable fiscal year.

Under the terms of the MOU, the City will purchase LNG fuel from the County based on the County's competitively bid cooperative purchase agreement with Clean Energy (Contract No. WA00023537). The City also agrees to pay the County an administrative markup that is not to exceed the per gallon cost the County charges each of its internal departments for fuel. The current administrative markup, as of March 1, 2013, is \$0.10 per gallon. The County must provide the City with 15-days notice prior to any change to the administrative markup.

Emerging Small Business Development (ESBD): Clean Energy is not certified as an emerging/small business firm. Cooperative purchase agreements are created, evaluated, and awarded by other governmental agencies that may or may not have similar emerging and small business programs. However, the Department of General Services will consider other alternatives if it is determined that using cooperative purchase agreements may have a negative impact on small businesses.



Requires Council Approval:

No

YES

Meeting: 4/30/13

Real Estate

Other Party Signature Needed

Recording Requested

General Information

Type: Memorandum of Understanding (MOU) PO Type: N-Prof-Ser	Attachment: Original No.:
Not to Exceed: \$400,000.00	Original Doc Number:
Other Party: County of Sacramento	Certified Copies of Document::
Project Name: Liquid Natural Gas (LNG) dispensed at County Facility	Deed: <input checked="" type="checkbox"/> None <input type="checkbox"/> Included <input type="checkbox"/> Separate
Project Number: N/A	Bid Transaction #: N/A
E/SBE-DBE-M/WBE:	

Department Information

Department: General Services

Division: Fleet Management

Project Mgr: Keith Leech

Contract Services: N/A

Division Mgr: Keith Leech

Phone Number: 808-5869

Org Number: 13001311

Comment: Original Contract Amount: N/A

Review and Signature Routing

Department	Signature or Initial	Date
Project Mgr:	<i>KL</i>	3-28-13
Contract Services:	N/A	

City Attorney	Signature or Initial	Date
City Attorney:	<i>RSB</i>	4/4/13

Send Interoffice Mail to Reina J. Schwartz (12500)

Notify for Pick Up

Authorization	Signature or Initial	Date
Reina Schwartz Director, General Services:		
City Mgr: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		

For City Clerk Processing

Finalized:

Initial:

Date:

Imaged:

Initial:

Date:

Received:

(City Clerk Stamp Here)

Large empty box for stamping

Contract Cover/Routing Form: Must Accompany ALL Contracts;

**MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF
SACRAMENTO DEPARTMENT OF GENERAL SERVICES, FLEET SERVICES
DIVISION AND THE CITY OF SACRAMENTO DEPARTMENT OF GENERAL
SERVICES, FLEET MANAGEMENT**

This Memorandum of Understanding (MOU) made and entered into this _____ day of _____, 2013, is between the County of Sacramento Department of General Services, Fleet Services Division ("County") and the City of Sacramento Department of General Services, Fleet Management ("City").

The purpose of this agreement is to memorialize the City's current arrangement with the County whereby the City reimburses the County monthly for all Liquid Natural Gas (LNG) fuel that the City obtains from the County in accordance with the rates in Cooperative Purchase Agreement WA00023537 (see Exhibit "C") between the County of Sacramento and Clean Energy, dated July 14, 2008, and approved by the Sacramento City Council on October 30, 2012 ("Cooperative Purchase Agreement") and pays the County an administrative markup. This agreement does not guarantee the County can or will be able to supply the City all the LNG fuel the City may need or that the City will actually purchase LNG fuel from the County. This agreement only addresses how LNG fuel obtained from the County shall be reimbursed by the City.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. Term of Agreement

This agreement shall be effective as of July 1, 2012, and shall remain in effect unless terminated pursuant to the provisions of Paragraph 5 and Paragraph 6.

2. Notice

Except for invoice billing requirements in Paragraph 3, any other notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this agreement shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

TO COUNTY

James Collins
County of Sacramento
Department of General Services
Fleet Services Division
4001 Branch Center Road
Sacramento, CA 95827

TO CITY

Keith Leech
City of Sacramento
Department of General Services
City of Sacramento
5730 24th Street, Building 1
Sacramento, CA. 95822

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt.

3. Invoices

County shall submit an invoice to City after the close of each billing period, detailing the Compensation Amount (defined in Section 4 below) due from City to County for all LNG

issued during the billing period to City from County's LNG fuel station and, if applicable, from County's LNG mobile fueler. County shall include with each invoice a detailed fuel usage report listing each fuel transaction included in the invoice amount, plus the Administrative Markup (defined in Section 4 below). County shall also send City the usage report in an electronic format as described in Exhibit "A" each period. County shall mail hardcopy invoices and usage reports to City's billing address in Exhibit "B" each period, except for periods during which City does not obtain LNG from County.

4. Compensation

City agrees to reimburse County in full for the cost of LNG fuel in accordance with the rates in the Cooperative Purchase Agreement plus an administrative markup ("Administrative Markup") that is not to exceed the per gallon cost the County charges each of its internal departments for fuel. The Administrative Markup as of March 1, 2013, is \$0.10 per gallon. County shall provide a statement of the Administrative Markup to the City within 15 days of any change to that rate. City agrees to pay each invoice within 30 days of the invoice date. Checks shall be made to the order of "County of Sacramento" and mailed to the County's payment address listed in Exhibit "B."

5. Default

In the event that County does not receive full reimbursement for an invoice pursuant to the terms of Paragraph 4, County will notify City of City's default in writing. County will terminate City's access to LNG fuel if the default is not fully satisfied within thirty (30) days of County's notification of default.

6. Termination

Paragraph 5 notwithstanding, either party may terminate this agreement at any time upon thirty (30) days prior written notice to the other party, whether or not such party is in default. Written notice of termination of this agreement shall be addressed to the applicable party's contact and mailing address as listed in Paragraph 2. The effective date of the termination shall be thirty (30) days from the written notice of termination. In the event of termination, City shall pay County within thirty (30) days of the effective date of termination, for LNG issued to City up to the effective date of termination.

7. Indemnification

City shall defend, indemnify and hold harmless County, its officers and employees, from and against all demands, claims, actions, liabilities, losses, damages and costs, including payment of reasonable attorneys' fees, whether incurred by County's staff attorneys or outside attorneys, arising out of or resulting from the performance of this MOU, caused in whole or in part by the negligent or intentional acts or omissions of City, its officers, directors, agents, employees, volunteers, invitees, subconsultants, or subcontractors.

County shall defend, indemnify and hold harmless City, its officers and employees from and against all demands, claims, actions, liabilities, losses, damages, and costs, including payment of reasonable attorneys' fees, whether incurred by City's staff attorneys or outside attorneys, arising out of or resulting from the performance of this MOU, caused in whole or in part by the negligent or intentional acts or omissions of County, its officers, directors, agents, employees, volunteers, invitees, subconsultants, or subcontractors.

It is the intention of City and County that the provisions of this paragraph be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective

officers, directors, agents, employees, volunteers, invitees, subconsultants or subcontractors. It is also the intention of City and County that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, volunteers, invitees, subconsultants, or subcontractors.

8. **Amendment**

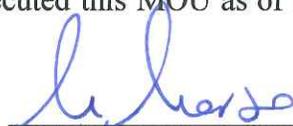
With the exception of the Cooperative Purchase Agreement and Administrative Markup statement, no modification or amendments to this agreement shall be valid unless it is set forth in writing and is signed by the parties hereto. Updates to the Cooperative Purchase Agreement and Administrative Markup statement will be provided to City within 15 days of any changes, and will be effective immediately.

9. **Entire Agreement**

This agreement constitutes the entire understanding between City and County. Any prior agreements, whether oral or written, between City and County regarding the subject matter of this agreement are hereby terminated effective immediately upon full execution of the agreement.

IN WITNESS WHEREOF, the parties hereto have executed this MOU as of the date indicated below.

Reina Schwartz, Director
City of Sacramento
Department of General Services



Michael Morse, Director
County of Sacramento
Department of General Services

Date: _____

Date: 3/20/13

EXHIBIT "A"

USAGE REPORTS

County currently uses the FuelFocus fuel management system to generate fuel usage reports that feed into the invoices generated and sent to City each billing period. County agrees to:

1. Include a hard copy fuel usage report with each invoice that is sent to City.
2. Send an electronic copy of the same fuel usage report in Microsoft Excel format to the following e-mail addresses that have been provided by City:
fleet@cityofsacramento.org

This electronic copy includes the following information for each fuel transaction:

- a. Fuel product type
- b. Fuel issue date
- c. System entry date of fuel transaction
- d. Unit/Account number
- e. Quantity of fuel issued
- f. Price per unit of measure, including the Administrative Markup
- g. Total cost of transaction

No other usage report requirements are incorporated into this agreement.

EXHIBIT "B"

BILLING ADDRESS AND PAYMENT ADDRESS

City's Billing Address

City of Sacramento
Attention: Fleet Management
5730 24th Street, Building 1
Sacramento, CA 95822

County's Payment Address

County of Sacramento
Fleet Services Division
4001 Branch Center Road
Sacramento, CA 95827



County of Sacramento
Open Item Contract
EXHIBIT "C"

Contract and Purchasing
Services Division
9660 Ecology Ln.
Sacramento, CA 95827
(916) 876-6360

Your Vendor number with us
625173

CLEAN ENERGY
3020 OLD RANCH PKWY STE 200
SEAL BEACH CA 90740

Vendors Contact Person: JANET DEVANEY
Vendors Phone Number: 562-546-0331

**Reprint of
Open Item Contract WA00023537 /
07/14/2008**

This number must appear on all correspondence to the
Purchasing Division.

Contract number/date

WA00023537 / 07/14/2008

Issuing Officer/Telephone

Samoville, Cliff/916 876-6377

Signature: _____

Contract Period

Valid from: 08/01/2008

Valid to: 07/31/2013

F.O.B. Dest., Freight Prepaid
Payment Terms: Due in 30 Days
Contractual maximum value: 8,000,000.00

You are hereby notified that the goods and/or services listed have been awarded to you subject to terms and conditions referenced and to the general conditions listed on the reverse.

Before supplying any goods or services to the County, the vendor must obtain a CSO (Contract Shipping Order) number from the ordering department. A CSO is an authorized release (Purchase Order) against the contract and shall be provided in written form. "Verbal" orders are not acceptable. For a CSO to be considered valid, it must be within the scope of this contract and be consistent with its pricing, terms and conditions. The CSO number must be referenced on all documents related to the order (packing slips, invoices, etc.). Failure to obtain a CSO and reference its number may result in the delay or non-payment of the invoice.

Fuels & lubricants

Clean Air Fuels, Liquified Natural Gas, LNG

7/31/12 Contract extended. Negotiations to resume for a fueling station.

8/1/11 Contract extended per BOS resolution 2011-0604 while fueling station is negotiated.

7/15/10 Contract extended. DCSS TF

6/23/09 Contract extended. DCSS OK

This contract is for liquefied natural gas (LNG) for Sacramento County Department of Waste Management and Recycling per the provisions of Request for Proposal (RFP) 7283.

DELIVERY REQUIREMENTS

The LNG fuel trailer transport vehicle shall be weighed at an adjacent certified scale prior to unloading for gross weight and re-weighed at the same scale for tare and residual fuel weight after unloading fuel. The differential will be the billing weight and no charge will be assessed to the vendor for use of the scales.

FUEL SPECIFICATIONS

The fuel requirements shall satisfy the following requirements:

Property	Limit	ASTM Test Mole Percent	Method
Methane	97% min.		
Ethane	2% max.		
Heavy Hydrocarbon (C3-C6)	0.5% max.		D 1945
Inert Gas	balance		

Contract Term: The Contract(s) term will be for one year. In order to promote efficiency and economy, the County reserves the right to extend awarded contract(s) two additional twelve-month periods. Such extension(s) will be at the county's option, subject to the terms and conditions of this RFB and agreement between the vendor and the county.

Prices bid shall apply to the first contract year. Pricing shall be RMI Index/12.1+\$0.67. Margin may be increased by the increase in the Producer Price Index for years 2 and 3. Mileage may be charged if diesel goes over \$5/gal. See the attached bid response.

Estimated Quantities: The quantity listed is an estimated requirement. The County does not guarantee to purchase a minimum quantity or does not guarantee to purchase vendor's remaining stock.

Termination: Contract may be terminated in part or in whole by the County upon thirty days advance notice in writing.

Unrestricted Quantities: The County is not limited to purchase all of its requirements from any contract resulting from this RFP/award.

Non-assignment: Contractor shall neither assign nor subcontract any of the services required under an awarded contract without prior written consent of the County.

Integration Clause: This contract constitutes the entire contract between the County and the contractor regarding the subject matter of the contract. Any prior agreements, whether oral or written, between

the County and the contractor regarding the subject matter of this contract are hereby terminated effective immediately upon full execution of this contract. No modification or amendment to this contract shall be valid unless it is set forth in writing and is signed by the parties hereto.

HAZARDOUS SUBSTANCES

CAL-OSHA Requirements

All flammable, corrosive, toxic, or reactive materials must have a complete CAL-OSHA Material Safety Data Sheet accompanying the submitted bid.

Independent Contractor:

a. It is understood and agreed that Contractor (including Contractor's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Contractor's assigned personnel shall not be entitled to any benefits payable to employees of County. County is not required to make any deductions or withholdings from the compensation payable to Contractor under the provisions of this agreement; and as an independent contractor, Contractor hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists due to this agreement.

b. It is further understood and agreed by the parties hereto that Contractor in the performance of its obligation hereunder is subject to the control or direction of County as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by Contractor for accomplishing the results.

c. If, in the performance of this agreement, any third persons are employed by Contractor, such person shall be entirely and exclusively under the direction, supervision, and control of Contractor. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by Contractor.

d. It is further understood and agreed that as an independent contractor and not an employee of County, neither the Contractor nor Contractor's assigned personnel shall have any entitlement as a County employee, right to act on behalf of County in any capacity whatsoever as agent, nor to bind County to any obligation whatsoever.

e. It is further understood and agreed that Contractor must issue W-2 and 941 Forms for income and employment tax purposes, for all of Contractor's assigned personnel under the terms and conditions of this agreement.

The County will withhold applicable Federal and State tax and insurance

payments if the Contractor's business has less than five employees. A waiver may be granted by the Auditor-Controller.

Indemnification: Contractor shall indemnify, defend, and hold harmless COUNTY, its Board of Supervisors, officers, directors, agents, employees and volunteers from and against any and all claims, demands, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of this Agreement, regardless of whether caused in part by a party indemnified hereunder.

Insurance Requirements For Contractors

Without limiting Contractor's indemnification, Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, his agents, representatives or employees. County shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of the County's Risk Management Office the insurance provisions in these requirements do not provide adequate protection for County and for members of the public, County may require Contractor to obtain insurance sufficient in coverage, form and amount to provide adequate protection. County's requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

Verification of Coverage

Contractor shall furnish the County with certificates evidencing coverage required below. Copies of required endorsements must be attached to provided certificates. The County Risk Manager may approve self-insurance programs in lieu of required policies of insurance if, in the opinion of the Risk Manager, the interests of the County and the general public are adequately protected. All certificates or evidences of self-insurance are to be received and approved by the County before performance commences. The County reserves the right to require that Contractor provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, the Contractor's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required by these specifications.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. GENERAL LIABILITY: Insurance Services Office's Commercial General Liability occurrence coverage form CG 0001. Including, but not limited to Premises/Operations, Products/Completed Operations, and Personal &

Advertising Injury, without exclusions or limitations unless approved by County Risk Management Office. .

2.AUTOMOBILE LIABILITY: Insurance Services Office's Commercial Automobile Liability coverage form CA 0001, auto coverage symbol "1" (any auto). If there are no owned or leased vehicles, symbols 8 and 9 for non-owned and hired autos shall apply.

3.WORKERS' COMPENSATION: Statutory requirements of the State of California and Employer's Liability Insurance.

4.PROFESSIONAL LIABILITY or Errors and Omissions Liability insurance appropriate to the Contractor's profession.

5.UMBRELLA or Excess Liability policies are acceptable where the need for higher liability limits is noted in the Minimum Limits of Insurance and shall provide liability coverages that at least follow form over the underlying insurance requirements where necessary for Commercial General Liability, Automobile Liability, Employers' Liability, and any other liability coverage designated under the Minimum Scope of Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1.General Liability shall be on an Occurrence basis (as opposed to Claims Made basis). Minimum limits and structure shall be:

General Aggregate: \$5,000,000
Products Comp/Op Aggregate: \$5,000,000
Personal & Adv. Injury: \$5,000,000
Each Occurrence: \$5,000,000
Fire Damage: \$ 100,000

Building Trades Contractors and Contractors engaged in other projects of construction shall have their general liability Aggregate Limit of Insurance endorsed to apply separately to each job site or project, as provided for by Insurance Services Office form CG-2503 Amendment-Aggregate Limits of Insurance (Per Project).

2.Automobile Liability: \$5,000,000 Combined Single Limit per accident for bodily injury and property damage.

3.Workers' Compensation: Statutory.

4.Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

5.Professional Liability or Errors and Omissions Liability: \$1,000,000 per occurrence.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and

approved by the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the County, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Claims Made Professional Liability Insurance

If professional liability coverage is written on a Claims Made form:

- 1.The "Retro Date" must be shown, and must be on or before the date of the Agreement or the beginning of Agreement performance by Contractor.
- 2.Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after completion of the Agreement.
- 3.If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of one (1) year after completion of the Agreement.

Other Insurance Provisions

The insurance policies required in this Agreement are to contain, or be endorsed to contain, as applicable, the following provisions:

1.ADDITIONAL INSURED STATUS: The County, its officers, directors, officials, employees, and volunteers are to be endorsed as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no endorsed limitations on the scope of protection afforded to the County, its officers, directors, officials, employees, or volunteers. Applicable to General Liability, use ISO form CG 2010 11-85 only, and Auto Liability Policies.

2.PRIMARY INSURANCE: For any claims related to this agreement, the Contractor's insurance coverage shall be endorsed to be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, directors, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. Applicable to General Liability and Auto Liability policies.

3.FAILURE TO COMPLY: Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the County, its officers, directors, officials, employees, agents or volunteers. Applies to policies in which the County is named as an additional insured.

4.SEVERABILITY OF INTEREST: The Contractor's insurance shall apply

separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Applicable to General Liability and Auto Liability policies.

5.MAINTENANCE OF INSURANCE COVERAGE: The Contractor shall maintain all insurance coverages in place at all times and provide the County with evidence of each policy's renewal ten (10) days in advance of its anniversary date. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, reduced in coverage, or reduced in limits, except after thirty (30) days' written notice for cancellation or sixty (60) days' written notice for non-renewal has been given to the County. For non-payment of premium 10 days' prior written notice of cancellation, certified mail, return receipt requested is required. Applicable to all policies.

6.WORKERS' COMPENSATION WAIVER OF SUBROGATION: The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the County, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by the Contractor.

7.PROPERTY WAIVER OF SUBROGATION: Course of construction policies shall contain the following provisions:

1. The County shall be named as loss payee.
- 2.The insurer shall waive all rights of subrogation against the County.

8.CIVIL CODE PROVISION: Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

9.ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII. The County Risk Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the County and the general public are adequately protected.

10. SUBCONTRACTORS: Contractor shall require all subcontractors to maintain adequate insurance. Subcontractors shall name CONTRACTOR as additional insured on their General Liability policies. CONTRACTOR shall maintain copies of certificates of insurance and additional insured endorsements as provided by CONTRACTOR's subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Item	Tgt. qty.	Unit	Price	Unit of	Extended
Mat Num		Description	/ Unit	Measure	Value
00010	8,000,000	Dollar LNG Fuel	1.00	/ 1 \$	8,000,000.00



County of Sacramento
Open Item Contract

Exhibit C:

Contract and Purchasing
Services Division
9660 Ecology Ln.
Sacramento, CA 95827
(916) 876-6360



**Reprint of
Open Item Contract WA00023537 /
07/14/2008**

Your Vendor number with us
625173

CLEAN ENERGY
3020 OLD RANCH PKWY STE 200
SEAL BEACH CA 90740

This number must appear on all correspondence to the
Purchasing Division.

Contract number/date
WA00023537 / 07/14/2008

Issuing Officer/Telephone
Samoville, Cliff/916 876-6377

Vendors Contact Person: JANET DEVANEY
Vendors Phone Number: 562-546-0331

Signature: _____

Contract Period
Valid from: 08/01/2008
Valid to: 07/31/2013

F.O.B. Dest., Freight Prepaid
Payment Terms: Due in 30 Days
Contractual maximum value: 8,000,000.00

You are hereby notified that the goods and/or services listed have been awarded to you subject to terms and conditions referenced and to the general conditions listed on the reverse.

Before supplying any goods or services to the County, the vendor must obtain a CSO (Contract Shipping Order) number from the ordering department. A CSO is an authorized release (Purchase Order) against the contract and shall be provided in written form. "Verbal" orders are not acceptable. For a CSO to be considered valid, it must be within the scope of this contract and be consistent with its pricing, terms and conditions. The CSO number must be referenced on all documents related to the order (packing slips, invoices, etc.). Failure to obtain a CSO and reference its number may result in the delay or non-payment of the invoice.

Fuels & lubricants
Clean Air Fuels, Liquified Natural Gas, LNG

7/31/12 Contract extended. Negotiations to resume for a fueling station.
8/1/11 Contract extended per BOS resolution 2011-0604 while fueling station is negotiated.
7/15/10 Contract extended. DCSS TF
6/23/09 Contract extended. DCSS OK

This contract is for liquefied natural gas (LNG) for Sacramento County Department of Waste Management and Recycling per the provisions of Request for Proposal (RFP) 7283.

DELIVERY REQUIREMENTS

The LNG fuel trailer transport vehicle shall be weighed at an adjacent certified scale prior to unloading for gross weight and re-weighed at the same scale for tare and residual fuel weight after unloading fuel. The differential will be the billing weight and no charge will be assessed to the vendor for use of the scales.

FUEL SPECIFICATIONS

The fuel requirements shall satisfy the following requirements:

Property	Limit	ASTM Test Mole Percent	Method
Methane	97% min.		
Ethane	2% max.		
Heavy Hydrocarbon (C3-C6)	0.5% max.		D 1945
Inert Gas	balance		

Contract Term: The Contract(s) term will be for one year. In order to promote efficiency and economy, the County reserves the right to extend awarded contract(s) two additional twelve-month periods. Such extension(s) will be at the county's option, subject to the terms and conditions of this RFB and agreement between the vendor and the county.

Prices bid shall apply to the first contract year. Pricing shall be RMI Index/12.1+\$0.67. Margin may be increased by the increase in the Producer Price Index for years 2 and 3. Mileage may be charged if diesel goes over \$5/gal. See the attached bid response.

Estimated Quantities: The quantity listed is an estimated requirement. The County does not guarantee to purchase a minimum quantity or does not guarantee to purchase vendor's remaining stock.

Termination: Contract may be terminated in part or in whole by the County upon thirty days advance notice in writing.

Unrestricted Quantities: The County is not limited to purchase all of its requirements from any contract resulting from this RFP/award.

Non-assignment: Contractor shall neither assign nor subcontract any of the services required under an awarded contract without prior written consent of the County.

Integration Clause: This contract constitutes the entire contract between the County and the contractor regarding the subject matter of the contract. Any prior agreements, whether oral or written, between

the County and the contractor regarding the subject matter of this contract are hereby terminated effective immediately upon full execution of this contract. No modification or amendment to this contract shall be valid unless it is set forth in writing and is signed by the parties hereto.

HAZARDOUS SUBSTANCES

CAL-OSHA Requirements

All flammable, corrosive, toxic, or reactive materials must have a complete CAL-OSHA Material Safety Data Sheet accompanying the submitted bid.

Independent Contractor:

a. It is understood and agreed that Contractor (including Contractor's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. Contractor's assigned personnel shall not be entitled to any benefits payable to employees of County. County is not required to make any deductions or withholdings from the compensation payable to Contractor under the provisions of this agreement; and as an independent contractor, Contractor hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists due to this agreement.

b. It is further understood and agreed by the parties hereto that Contractor in the performance of its obligation hereunder is subject to the control or direction of County as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by Contractor for accomplishing the results.

c. If, in the performance of this agreement, any third persons are employed by Contractor, such person shall be entirely and exclusively under the direction, supervision, and control of Contractor. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by Contractor.

d. It is further understood and agreed that as an independent contractor and not an employee of County, neither the Contractor nor Contractor's assigned personnel shall have any entitlement as a County employee, right to act on behalf of County in any capacity whatsoever as agent, nor to bind County to any obligation whatsoever.

e. It is further understood and agreed that Contractor must issue W-2 and 941 Forms for income and employment tax purposes, for all of Contractor's assigned personnel under the terms and conditions of this agreement.

The County will withhold applicable Federal and State tax and insurance

payments if the Contractor's business has less than five employees. A waiver may be granted by the Auditor-Controller.

Indemnification: Contractor shall indemnify, defend, and hold harmless COUNTY, its Board of Supervisors, officers, directors, agents, employees and volunteers from and against any and all claims, demands, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of this Agreement, regardless of whether caused in part by a party indemnified hereunder.

Insurance Requirements For Contractors

Without limiting Contractor's indemnification, Contractor shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Contractor, his agents, representatives or employees. County shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of the County's Risk Management Office the insurance provisions in these requirements do not provide adequate protection for County and for members of the public, County may require Contractor to obtain insurance sufficient in coverage, form and amount to provide adequate protection. County's requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

Verification of Coverage

Contractor shall furnish the County with certificates evidencing coverage required below. Copies of required endorsements must be attached to provided certificates. The County Risk Manager may approve self-insurance programs in lieu of required policies of insurance if, in the opinion of the Risk Manager, the interests of the County and the general public are adequately protected. All certificates or evidences of self-insurance are to be received and approved by the County before performance commences. The County reserves the right to require that Contractor provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, the Contractor's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, effecting the coverage required by these specifications.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. GENERAL LIABILITY: Insurance Services Office's Commercial General Liability occurrence coverage form CG 0001. Including, but not limited to Premises/Operations, Products/Completed Operations, and Personal &

Advertising Injury, without exclusions or limitations unless approved by County Risk Management Office. .

2.AUTOMOBILE LIABILITY: Insurance Services Office's Commercial Automobile Liability coverage form CA 0001, auto coverage symbol "1" (any auto). If there are no owned or leased vehicles, symbols 8 and 9 for non-owned and hired autos shall apply.

3.WORKERS' COMPENSATION: Statutory requirements of the State of California and Employer's Liability Insurance.

4.PROFESSIONAL LIABILITY or Errors and Omissions Liability insurance appropriate to the Contractor's profession.

5.UMBRELLA or Excess Liability policies are acceptable where the need for higher liability limits is noted in the Minimum Limits of Insurance and shall provide liability coverages that at least follow form over the underlying insurance requirements where necessary for Commercial General Liability, Automobile Liability, Employers' Liability, and any other liability coverage designated under the Minimum Scope of Insurance.

Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1.General Liability shall be on an Occurrence basis (as opposed to Claims Made basis). Minimum limits and structure shall be:

General Aggregate: \$5,000,000
Products Comp/Op Aggregate: \$5,000,000
Personal & Adv. Injury: \$5,000,000
Each Occurrence: \$5,000,000
Fire Damage: \$ 100,000

Building Trades Contractors and Contractors engaged in other projects of construction shall have their general liability Aggregate Limit of Insurance endorsed to apply separately to each job site or project, as provided for by Insurance Services Office form CG-2503 Amendment-Aggregate Limits of Insurance (Per Project).

2.Automobile Liability: \$5,000,000 Combined Single Limit per accident for bodily injury and property damage.

3.Workers' Compensation: Statutory.

4.Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

5.Professional Liability or Errors and Omissions Liability: \$1,000,000 per occurrence.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and

approved by the County. At the option of the County, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the County, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Claims Made Professional Liability Insurance

If professional liability coverage is written on a Claims Made form:

- 1.The "Retro Date" must be shown, and must be on or before the date of the Agreement or the beginning of Agreement performance by Contractor.
- 2.Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after completion of the Agreement.
- 3.If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of one (1) year after completion of the Agreement.

Other Insurance Provisions

The insurance policies required in this Agreement are to contain, or be endorsed to contain, as applicable, the following provisions:

- 1.ADDITIONAL INSURED STATUS: The County, its officers, directors, officials, employees, and volunteers are to be endorsed as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no endorsed limitations on the scope of protection afforded to the County, its officers, directors, officials, employees, or volunteers. Applicable to General Liability, use ISO form CG 2010 11-85 only, and Auto Liability Policies.

- 2.PRIMARY INSURANCE: For any claims related to this agreement, the Contractor's insurance coverage shall be endorsed to be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, directors, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. Applicable to General Liability and Auto Liability policies.

- 3.FAILURE TO COMPLY: Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the County, its officers, directors, officials, employees, agents or volunteers. Applies to policies in which the County is named as an additional insured.

- 4.SEVERABILITY OF INTEREST: The Contractor's insurance shall apply

separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Applicable to General Liability and Auto Liability policies.

5.MAINTENANCE OF INSURANCE COVERAGE: The Contractor shall maintain all insurance coverages in place at all times and provide the County with evidence of each policy's renewal ten (10) days in advance of its anniversary date. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, reduced in coverage, or reduced in limits, except after thirty (30) days' written notice for cancellation or sixty (60) days' written notice for non-renewal has been given to the County. For non-payment of premium 10 days' prior written notice of cancellation, certified mail, return receipt requested is required. Applicable to all policies.

6.WORKERS' COMPENSATION WAIVER OF SUBROGATION: The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the County, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by the Contractor.

7.PROPERTY WAIVER OF SUBROGATION: Course of construction policies shall contain the following provisions:

1. The County shall be named as loss payee.
- 2.The insurer shall waive all rights of subrogation against the County.

8.CIVIL CODE PROVISION: Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

9.ACCEPTABILITY OF INSURERS: Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-VII. The County Risk Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the County and the general public are adequately protected.

10. SUBCONTRACTORS: Contractor shall require all subcontractors to maintain adequate insurance. Subcontractors shall name CONTRACTOR as additional insured on their General Liability policies. CONTRACTOR shall maintain copies of certificates of insurance and additional insured endorsements as provided by CONTRACTOR's subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Item	Tgt. qty.	Unit	Price	Unit of	Extended
Mat Num		Description	/ Unit	Measure	Value
00010	8,000,000	Dollar LNG Fuel	1.00	/ 1 \$	8,000,000.00