

SAM – PURCHASES (Cont.)

DIESEL, BIODIESEL, AND RENEWABLE HYDROCARBON DIESEL BULK FUEL PURCHASES (New 10/2015)

3627

State agencies shall follow the diesel, biodiesel, and renewable hydrocarbon diesel (renewable diesel) bulk fuel purchasing requirements listed below.

General Purchasing Requirements

When making bulk fuel purchases to supply state vehicles and/or other mobile equipment which utilize conventional diesel fuel, state agencies shall purchase contracted renewable diesel fuel in lieu of contracted conventional diesel and both B5 and B20 biodiesel fuel blends (biodiesel). Definitions for diesel, biodiesel, and renewable diesel fuel can be found in the California Code of Regulations [§95481](#). Additional information pertaining to Department of General Services' (DGS) statewide contracts for bulk diesel, biodiesel, and renewable diesel can be found at:

<http://www.documents.dgs.ca.gov/pd/contracts/ContractIndexListing.pdf>

Exemptions to Renewable Diesel Purchasing Requirements

Agencies may purchase bulk diesel or biodiesel fuel, in lieu of renewable diesel fuel, if any of the following exemption criteria is met:

- a. Bulk renewable diesel fuel is not available, in the quantities needed, from that region's contracted renewable diesel fuel provider.
- b. The cost to purchase contracted bulk renewable diesel fuel would exceed the cost to purchase the same quantity of contracted bulk conventional diesel fuel by 20%.
- c. The operational viability of diesel powered vehicles and equipment would be compromised through the use of renewable diesel fuels. Original Equipment Manufacturer (OEM) refusal to honor a vehicle engine warranty through an agency's use of renewable diesel may be considered an operational viability issue.
- d. In emergency response situations, the delivery time of bulk renewable diesel fuel would exceed the delivery time of conventional diesel fuel.

Agencies that utilize one or more of these exemptions are encouraged to use biodiesel, in lieu of conventional diesel fuel, whenever possible.

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**DIESEL, BIODIESEL, AND RENEWABLE HYDROCARBON DIESEL
BULK FUEL PURCHASES**

3627 (Cont.1)

(New 10/2015)

Reporting of Renewable Diesel Utilization Exemption

As part of an agency's annual fuel reporting requirements, each agency that invokes one or more of the renewable diesel utilization exemptions, shall complete the *Renewable Diesel Utilization Exemptions Form* and submit the completed form quarterly to DGS' Office of Fleet and Asset Management (OFAM). The *Renewable Diesel Utilization Exemptions* form can be located at: <http://www.dgs.ca.gov/ofam/Forms.aspx>. The department will be required to include the following information (as applicable) on the Form:

- 1) Information demonstrating an agency's decision to purchase bulk diesel or biodiesel, in lieu of renewable diesel, due to product availability, or timeliness of delivery in emergency situations.
- 2) Information and supporting documentation demonstrating an agency's decision to purchase bulk diesel or biodiesel, in lieu of renewable diesel, due to the price of renewable diesel exceeding the contract purchase price of bulk diesel or biodiesel by 20% or greater. Documentation must include the cost of renewable diesel from that region's contracted renewable diesel fuel provider, and the cost of bulk diesel or biodiesel (whichever is purchased) for the same quantity.
- 3) Information and supporting documentation demonstrating an agency's decision to purchase bulk diesel or biodiesel, in lieu of renewable diesel, due to operational viability. Documentation must include a list of vehicles by equipment number that the agency has exempted due to operational viability.