



MARINE DIESEL AND UNLEADED FUEL

MANDATORY FOR STATE AGENCIES

AVAILABLE TO POLITICAL SUBDIVISIONS

Term: April 1, 2017 through **Month to Month**
Renewals Remaining: None

The Office of Procurement and Property Management (OPPM) has established the following mandatory contracts for the purchase and delivery of **Marine Diesel Fuel** and **Unleaded Fuel** for vessels in various locations throughout the state. To utilize the contracts, contact the vendor listed for the location that you wish to purchase fuel for, make sure that you let them know that you are using a state contract, and provide the contract number. Contact information for each vendor is provided below.

Contract Number 3588-A

Delta Western
 John Cannon
 (907) 276-2688
johnc@deltawestern.com

Contract Number 3588-B

Petro Marine
 Cameron Libby
 (907) 865-2315
caml@petro49.com

Contract Number 3588-C

Shoreside Petroleum
 (907) 865-2331
dougl@shoresidepetroleum.com

The following tables indicate the locations awarded to each vendor. The pricing structure is based on the Oil Price Information Services (OPIS) Weekly gross rack average price published in the weekly OPIS newsletter, plus the Mgt Fee. The OPIS Weekly gross rack average in effect on the day of delivery for the type and grade of fuel delivered, plus the Mgt Fee, equals the total per gallon price. For additional information on the pricing structure, see the contract terms and conditions provided in this document.

Delta Western Locations

Location	Fuel Type	OPIS Price Location	Mgt Fee	Stand-by Fee
Dutch Harbor Dockside	Marine Diesel	Seattle	\$ 0.0600	N/A

Petro Marine Locations

Location	Fuel Type	OPIS Price Location	Mgt Fee	Stand-by Fee
Craig Dockside	Marine Diesel	Seattle	\$ 0.8362	N/A
Homer Terminal	Marine Diesel	Seattle	\$ 0.6258	N/A
Homer Dockside	Marine Diesel	Seattle	\$ 0.7310	N/A
Juneau Terminal	Marine Diesel	Seattle	\$ 0.2996	N/A
Juneau Dockside	Marine Diesel	Seattle	\$ 0.4669	N/A
Ketchikan Terminal	Marine Diesel	Seattle	\$ 0.4155	N/A

Ketchikan Dockside	Marine Diesel	Seattle	\$ 0.4386	N/A
Kodiak Terminal	Marine Diesel	Seattle	\$ 0.6288	N/A
Kodiak Dockside	Marine Diesel	Seattle	\$ 0.7340	N/A
Petersburg Dockside	Marine Diesel	Seattle	\$ 0.8794	N/A
Sitka Terminal	Marine Diesel	Seattle	\$ 0.9152	N/A
Sitka Dockside	Marine Diesel	Seattle	\$ 0.9152	N/A
Sitka Dockside	Unleaded	Seattle	\$ 0.9152	N/A
Skagway Terminal	Marine Diesel	Seattle	\$ 0.7500	N/A
Wrangell Dockside	Marine Diesel	Seattle	\$ 0.8794	N/A

Shoreside Petroleum Locations

Location	Fuel Type	OPIS Price Location	Mgt Fee	Stand-by Fee
Cordova Terminal	Marine Diesel	Seattle	\$ 0.7628	N/A
Cordova Dockside	Marine Diesel	Seattle	\$ 0.8785	N/A
Seward Terminal	Marine Diesel	Anchorage	\$ 0.2365	N/A
Seward Dockside	Marine Diesel	Anchorage	\$ 0.3522	N/A
Seward Dockside	Unleaded	Anchorage	\$ 0.6839	N/A
Whittier Terminal	Marine Diesel	Anchorage	\$ 0.4292	N/A
Whittier Dockside	Marine Diesel	Anchorage	\$ 0.5471	N/A

Contract Terms and Conditions

Listed below are the terms and conditions of these contracts applicable to ordering agencies. If you require additional information or have additional questions, contact the following contracting officer:

Matthew L Pegues
(907) 465-5681
matthew.pegues@alaska.gov

CONTRACT INTENT:

This Invitation to Bid (ITB) is intended to result in mandatory and non-mandatory use contracts for the purchase and delivery of #1 and #2 low sulfur and ultra-low sulfur diesel, and unleaded marine gasoline, into vessels located throughout Alaska. Delivery will be made into vessels at the Alaska Marine Highway System (AMHS) terminals and other dockside facilities on an as-needed basis.

The contracts shall be available to all State of Alaska Executive Branch Agencies. In addition, all other State of Alaska governmental entities may purchase from these contracts, such as the Alaska Legislative Branch, the Alaska Court System, the University of Alaska, Boards and Commissions, and all State of Alaska political subdivisions, cities, boroughs, and school districts. This includes entities organized under AS 29.35.600 – 29.35.730.

The state reserves the right to solicit competitive quotations outside the contracts for any single purchase of less than 400 gallons or in any location without a contract, or in cases of inclement weather where the Captain of the vessel believes the weather conditions makes receiving fuel at the terminal or dockside location unsafe.

If the Captain of a vessel has deemed the terminal or dockside location unsafe due to weather conditions and the contractor is able to provide the fuel at an alternate location, the state may be liable for a delivery

surcharge. However, the surcharge may not result in additional profit for the contractor and must be a pass-through cost that is incurred by the contractor for utilizing an alternate fueling location.

The ordering agency and the contracting officer must be notified by the contractor of the surcharge. All surcharges for delivery at an alternate location must be approved in advance by the state. The state reserves the right to wait until the weather conditions improve and the Captain determines the terminal or dockside location is safe before accepting fuel. The state is under no obligation to accept fuel at an alternate location during unsafe weather conditions as determined by the Captain of the vessel.

DEFINITIONS:

The following definitions are applicable throughout this ITB, all amendments, and any subsequent contract awards:

- **ADF&G:** The Alaska Department of Fish and Game.
- **AMHS:** The Alaska Marine Highway System. The AMHS operates the State of Alaska ferries for the Department of Transportation and Public Facilities.
- **Bidder:** An entity submitting a bid in response to this ITB.
- **Contractor:** An entity that is awarded a contract with the State of Alaska for the products and services identified in this ITB. The term “contractor” may be used interchangeably with the term “vendor”.
- **Contracting Officer:** The DGS contracting officer responsible for the overall development and administration of this ITB and any resulting contracts.
- **Distribution Location:** A location where the vendor has the ability to store bulk fuel for delivery to vessels located near that distribution location.
- **Dockside:** Actual fuel dock capable of handling vessels up to 170 feet in length. This is the location where the fueling of all non-AMHS vessels will take place.
- **DOT & PF:** The Department of Transportation and Public Facilities.
- **DPS:** The Department of Public Safety.
- **IFA:** The abbreviation for Inter-Island Ferry Authority, an entity organized under AS 29.35.600 – 29.35.730 and anticipated user of these contracts.
- **Mgt:** The abbreviation for Management Fee. The Mgt is the amount per gallon that the contractor charges the state to deliver the fuel. This fee must include all of the contractor’s fixed and variable costs such as overhead, handling, delivery costs, fees, profit, etc. and the contractor’s cost of having the fuel shipped from a refinery to the contractor’s distribution point.
- **OPIS:** The acronym for Oil Price Information Service. www.opisnet.com
- **OPIS Price Location:** The OPIS Price location is selected by the bidder on the Bid Schedule. Once selected, the OPIS Price Location remains the same throughout the term of the contract including all renewals.
- **Terminal:** The actual location where AMHS vessels dock and tie up, and where passengers and vehicles are unloaded from the AMHS vessels. This is the location where most fueling will take place for AMHS vessels.

- **TFC:** The abbreviation for Total Fuel Cost. The TFC is the actual total amount charged by the vendor for a gallon of fuel, to be reflected on an invoice issued to the state by a contractor for fuel delivered.
- **Transfer Bridge Pipeline:** A transfer bridge pipeline is hereby defined as that piping system which emerges from the embankment near the bridge abutment, crosses under the bridge, and proceeds down one side of the bridge to the ship's connection.
- **Stand-by Fee:** The amount offered by the vendor for time spent waiting to fuel the vessel **if** the vessel is late to the terminal or late in providing the commence to fuel order. The delay must be related to issues with state operations and not the vendors.

This is only applicable if the vendor is not notified of a delay at least 2 hours prior to the fueling time on the order and may only be charged in quarter hour increments. The stand-by fee only applies at AHMS Terminals. The stand-by fee is a fixed fee and may not be adjusted during the contract term or any renewals.

CONTRACT PERIOD:

The length of the contract will be from the date of award through June 30, 2018, with the option to renew for two additional one-year terms under the same terms and conditions as the original contract. Renewals will be exercised at the sole discretion of the state.

CONTRACT ADMINISTRATION:

The administration of this contract is the responsibility of the contracting officer appointed by the Department of Administration, Division of General Services (DGS).

FORCE MAJEURE:

(Impossibility to perform) The contractor is not liable for the consequences of any failure to perform, or default in performing, any of its obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the contractor.

For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required; inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities.

PAYMENT FOR STATE PURCHASES:

Payment for agreements under \$500,000 for the undisputed purchase of goods or services provided to a state agency will be made within 30 days of the receipt of a proper billing or the delivery of the goods or services to the location(s) specified in the agreement, whichever is later. A late payment is subject to 1.5% interest per month on the unpaid balance. Interest will not be paid if there is a dispute or if there is an agreement that establishes a lower interest rate or precludes the charging of interest.

USE OF THE STATE OF ALASKA PURCHASING CARD:

Most state agencies have been issued a State of Alaska Purchasing Card (state designated, currently Visa). If accepted by the contractor, the state reserves the right to pay for fuel purchases with the State of Alaska

Purchasing Card. If payment is made with a State of Alaska Purchasing Card, charges must be made at the same per-gallon contract pricing; no additional taxes or surcharges are allowed.

CREDIT CARD SURCHARGE:

Individual purchases made with a credit card by political subdivisions of the state which exceed \$10,000 are subject to a surcharge. If applied by the vendor, the surcharge shall not exceed the actual amount percentage amount the vendor is charged by their credit card processing provider to process the credit card transaction.

For example, if an agency places an order of 6,000 gallons at \$3.95 per gallon, and the vendor is charged 3% for processing a credit card transaction, the vendor may add a surcharge not exceeding 3% to the order total. If requested by the ordering agency, vendors must provide documentation to the agency that verifies the percentage the vendor charged for processing credit card transaction.

FEDERAL EXCISE TAX:

The State of Alaska is exempt from Federal Excise Tax except for the following:

- Coal - Internal Revenue Code of 1986 (IRC), Section 4121 - on the purchase of coal;
- "Gas Guzzler" - IRC, Section 4064 - on the purchase of low m.p.g. automobiles, except that police and other emergency type vehicles are not subject to the tax;
- Air Cargo - IRC, Section 4271 - on the purchase of property transportation services by air;
- Air Passenger - IRC, Section 4261 - on the purchase of passenger transportation services by air charter.
- Leaking Underground Storage Tank Trust Fund Tax (LUST) - IRC, Section 4081 - on the purchase of Aviation gasoline, Diesel Fuel, Gasoline, and Kerosene.

The State of Alaska is also exempt from State Motor Fuel Taxes. The appropriate exemption forms will accompany any contract(s) resulting from this ITB. The state is not exempt from the Federal Superfund Tax or fuel flowage fees per 17 AAC 45.127.

PROTECTION OF STATE PROPERTY AND SPILL PREVENTION:

The contractor shall not damage or contaminate existing buildings, equipment, asphalt pavement, soil, and vegetation, (such as trees, shrubs and grass) on state property. If the contractor damages or contaminates any such buildings, equipment, asphalt pavement, soil or vegetation, or other state facilities, they shall replace the damaged items or repair the damage at no expense to the state and to the satisfaction of the state.

Further, should the contractor fail or refuse to make such repairs or replacements, the state may have said repairs or replacement accomplished, and the contractor shall be liable for the cost thereof which may be deducted from the amounts due under this contract.

The ordering agency shall first attempt to collect for replacement, repairs, or cost to be paid through informal agreement with the contractor. If disagreement persists, the matter shall be referred to the contracting officer. Unless approved by the Division of General Services, no costs shall be deducted from amounts due or owing without the contractor's consent.

The contractor must take all measures as required by law to prevent petroleum, oil or lubricant (POL) spills (including, but not limited to, any spilling, leaking, pumping, pouring, emitting, emptying, or dumping into or onto any land or water). In the event the contractor spills any POL (including, but not limited to, gasoline,

diesel fuel, fuel oil, lubrication oil, hydraulic oil or aviation fuel), the contractor shall be responsible for the containment, clean-up, and disposal of the POL spilled.

Should the contractor fail or refuse to take the appropriate containment, clean-up, and disposal actions, the state may do so itself; the contractor shall then reimburse the state for all expenses incurred including fines levied by appropriate agencies of federal or local governments.

SPILL CLEAN-UP:

The contractor shall be responsible for all fuel spills caused by their negligence that may occur during transit or fueling operations. Contractors must immediately report spillage to the local Alaska Department of Environmental Conservation (DEC), and to the United States Coast Guard District Office (USCG), as required by law, and clean up the spillage. Failure to do so will cause the state to take corrective action and charge the contractor for all related costs.

SPECIFICATIONS AND PRODUCT TESTING:

All fuel delivered must meet the specifications detailed in Attachment A at all times. Prior to award or during the term of the contract, tests may be performed by the state at its discretion, using appropriate test equipment and methods to measure fuel conformance with the specifications. The contractor will be allowed to participate in any such tests.

It is also the contractor's responsibility to ensure that all EPA requirements are met and to ensure continued compliance with all federal, state, and local requirements throughout the term of the contract including all renewals.

For information on the requirements of ULSD fuel use in Alaska, see the Department of Environmental Conservation website at: <http://dec.alaska.gov/air/anpms/ulsd/ulsdhome.htm>

PRODUCT QUALITY:

In case of substandard fuel or damage directly traceable to contaminants in the fuel, the contractor will be responsible for all costs incurred, including costs of removing all contaminated fuel from the tanks or drums, employee costs, damage to machinery, replacement parts and filters and any additional expense. This includes, but is not limited to, the following impurities: water, dirt, harmful oils, fibrous materials, bacteria, other petroleum products, and contaminants.

The ordering agency and the contractor shall first attempt to determine what caused the substandard fuel or contaminants in the fuel. If the agency and the contractor cannot come to an agreement, the matter shall be referred to the contracting officer. Unless approved by the contracting officer in advance, costs specified in this section cannot be applied to the contractor without the contractor's consent.

TRANSFER BRIDGE FUEL PIPE SYSTEMS:

The ownership, installation, maintenance, modifications, and repairs to any Transfer Bridge Fuel Pipe System in place at any AMHS terminal shall adhere to the following:

Ownership: All transfer Bridge Fuel Pipe Systems (currently installed or future systems) are owned by the entity that paid for the original installation.

Installation: If, during the course of the contracts, including all renewals, a Transfer Bridge Pipe System needs to be installed or replaced, the cost of the installation shall be the sole responsibility of the contractor. The pipes and their installation shall meet all federal, state, and local code requirements. The pipe fittings shall

be three inch cam-lock unless otherwise specified by AMHS or other applicable federal, state, and local code requirements.

Upon completion of the installation of a new Transfer Bridge Pipe System, the contractor shall provide the AMHS Marine Engineering Shore Maintenance Manager the certification documentation that verifies the Transfer Bridge Fuel Pipe System has passed all federal, state, and local code requirements. The manager may be contacted at:

Office: (907) 228-6820, Cell: (907) 321-1018, email: ward.mace@alaska.gov

Maintenance/Modifications/Repairs:

1. All maintenance, modifications, repairs, and additions to a Transfer Bridge Fuel Pipe System and any of its components, in place at the AMHS terminals served under this contract, is the sole responsibility of the contractor throughout the life of the contract. The Transfer Bridge Fuel Pipe System must pass all federal, state, and local code requirements and be certified each year on a schedule developed by the contractor and approved in writing by the state.

All pipe certification documentation must be forwarded to the AMHS Marine Engineering Shore Maintenance Manager within 14 days of test completion. Pressure testing must be performed on a schedule that meets all federal, state, and local code requirements. The cost of all Transfer Bridge Fuel Pipe System maintenance, modifications, repairs, and additions shall be the sole responsibility of the contractor.

2. Any extension seaward at the end of a newly installed or existing transfer bridge fuel line must contain a suitable length of flexible fuel line to allow the unrestricted operation of the intermediate transfer bridges.
3. Any new attachment, modification, or repair to any part of a Transfer Bridge Fuel Pipe system shall be approved in writing by the AMHS Marine Engineering Shore Maintenance Manager, prior to the work being done on site.
4. Any new weldments, weld modifications, or welding repairs completed by the contractor must be authorized by the AMHS Marine Engineering Shore Maintenance Manager in writing in advance and will require that the existing bridge coating be protected from weld spatter. All welds and new weldments must be coated with a two-coat brush-on moisture cure polyurethane coating system; the components of which shall be specified by AMHS.
5. The contractor shall coat all transfer bridge pipelines with a two-coat brush-on moisture cure polyurethane coating system within 90 days of pipe installation. The components of the coating system shall be specified by AMHS. All pipe-coating systems, specifications, and methods require prior written approval of the AMHS Marine Engineering Shore Maintenance Manager. Within 30 days of the initial coating, the contractor shall submit a pipeline re-coating schedule to the AMHS Marine Engineering Shore Maintenance Manager for written approval.

ORDERING PROCEDURES:

Orders placed under contracts resulting from this ITB fall into two categories as detailed below:

AMHS Specific

The vessel's Chief Engineer or AMHS terminal personnel, shall, at least 48 hours prior to the vessel's arrival at the terminal, notify the contractor during normal business hours (Monday through Friday 8am to 5pm) via phone, fax or email of the approximate quantity of fuel as well as the date, location, and the time the contractor is required to start pumping the fuel.

This notification should be followed with a confirmation phone call during normal business hours at least 24 hours before the vessel's arrival at the terminal.

The MV Chenega and the MV Fairweather may require daily fueling depending upon the AMHS sailing schedule. If daily fueling is required, the contractor shall work cooperatively with AMHS personnel to establish a fueling schedule.

General (non-AMHS Vessels)

Fuel deliveries to agencies other than AMHS will take place at the contractor's or ordering agency's dockside fueling location on an "as-needed" basis during dockside fueling week hours, defined as Monday through Sunday from 8am to 5 pm. Vessels will be fueled upon arrival at the dockside facility by contractor personnel.

If a non-AMHS vessel requires in excess of 3,000 gallons in a single delivery at a dockside location, the ordering agency should notify the contractor at least 24 hours in advance to ensure prompt delivery.

When placing orders, the ordering agency should provide the contractor the Contract Award Number and any pertinent billing information, including the billing address and billing contact name and phone number.

DELIVERY REQUIREMENTS:

While no guarantee is offered or implied as to the quantity of fuel purchased, the contract price shall apply regardless of the quantity purchased. Delivery requirements are broken down into two separate categories, AMHS Specific and General. All deliveries are F.O.B. destination.

AMHS Specific

Fuel delivery to all AMHS vessels shall take place at AMHS Terminals or dockside facilities at any time (24 hours a day, seven days a week, 365 days of the year). AMHS vessels may be fueled by either tanker trucks or transfer bridge fuel pipe systems.

Both methods of fueling must meet the 12,000 gallons per hour flow rate and must meet or exceed the three-hour maximum fueling time limit. The AMHS estimates that each fueling will require between 3,000 and 25,000 gallons.

After the vessels arrival, the vessel must be unloaded. Upon notice to commence fueling from the Chief Engineer, the contractor must complete the fueling process within a three-hour time limit.

If the contractor is not notified at least 2 hours before the original fueling time as indicated on the order placed by the vessel's Chief Engineer or AMHS terminal personnel of a delay in the fueling start

time, the contractor may charge a “stand-by fee” for each quarter hour the fueling start time is delayed that is 1.5 hours beyond the time on the order.

Example:

Start Fueling Time on Order	Late Start Notification	Actual Fueling Start Time	Stand-By Fee Applies	Stand-By Fee Time
11:00 am	8:30 am	1:00 pm	No	No Charge
9:45 pm	8:30 pm	11:45 pm	Yes	30 Minutes
4:45 am	2:40 am	6:10 am	No	No Charge
12:30 pm	10:35 am	2:45 pm	Yes	45 Minutes

General (non-AMHS vessels)

Most vessels will require between 1,500 and 10,000 gallons at each fueling. All vessels will require a dockside fueling location with the ability to handle a vessel up to 170 feet in length. No “stand-by fees” are permitted for dockside deliveries.

CONNECTION HOSES:

The use, care, maintenance, and replacement of all connection hoses owned by the contractor is the contractor’s responsibility. All hoses must meet all federal, state, and local requirements. The connection hoses must be tested in accordance with a testing schedule approved by the state for the Transfer Bridge Fuel Pipe Systems and other connection hoses utilized by the contractor. All costs associated with testing the connection hoses are the responsibility of the contractor.

CONNECTION TO AMHS VESSELS:

The state and the contractor shall work cooperatively during the fueling process to ensure the fueling process is completed in a safe and efficient manner. The AMHS vessel will provide an employee to assist with the lay out and hook up of the hose to the vessel. The contractor is responsible for operating all contractor owned equipment used in the fueling of the vessel.

FILTER REQUIREMENTS:

The contractor must install and use water-block filters and particulate filters on contractor owned fueling equipment in such a manner that ensures all fuel being delivered under these contracts is filtered by both filters during fueling operations. All costs to use the water-block and particulate filters is the sole responsibility of the contractor.

CERTIFIED METERS:

Fuel delivery equipment must be equipped with fixed meters for registering exact quantities of fuel pumped. Meters must be calibrated and certified by the Department of Transportation and Public Facilities, Division of Weights and Measures. Meters that malfunction must be repaired and calibrated before continued utilization. Any unsealed meter or meters found to be out of calibration tolerances shall not be utilized to perform any contract fueling requirements. The contractor shall be responsible for all calibration or recalibration costs. Meters must have totalizer capability along with register capability. All numbers on the registers and totalizers must be legible and easy to read.

ADDITIVES:

At the ordering agencies request, contractors may be required to supply, and in some cases blend, fuel additives, conditioners, or treatments product into the fuel purchased. All additives, conditioners, and treatments must meet the applicable federal, state, and local requirements and ensure the fuel delivered remains complaint to all EPA requirements.

The price charged for all additives, conditioners, or treatments shall be based on the contractor's wholesale price. The price for the additive, conditioner, or treatment shall be added to the fuel delivery invoice as a separate line item. The state reserves the right to purchase additives, treatments, and conditioner from all available sources, including non-contract sources. Blending shall be provided by the contractor at no additional charge to the state.

FUEL DISCHARGE STATION MAINTENANCE:

The maintenance of all Fuel Discharge Stations is the sole responsibility of the contractor. It is the state's responsibility to ensure the contractor has safe and easy access to the discharge station, this includes the removal of snow and ice from the area in front, and to the sides of the discharge station where the contractor's vehicles would be when pumping fuel.

In the event of heavy snow fall, the state and the contractor shall work cooperatively to ensure the discharge area is cleared to ensure timely delivery. If a delay exceeding one and one half hours is the result of snow accumulation in front of, or to the sides of the discharge area, the stand-by fee may not be charged.

INTERRUPTION OF SERVICE:

If, in the event fueling services are interrupted at any of the specified fueling ports, either terminal or dockside, and the interruption is the result of contractor operations, the contractor shall notify the proper state personnel.

Listed below are contact numbers for the proper state personnel at various using agencies. The DGS contracting officer must be notified of all interruptions in service.

DOT&PF, AMHS – Marine Transportation Services Manager	(907) 228-7285
DOT&PF, AMHS – Facilities Manager	(907) 228-6820
DPS – Procurement Officer	(907) 269-6635
ADF&G – Procurement Officer	(907) 465-4131
DGS – Contracting Officer	(907) 465-5679

Should a contractor determine the need to subcontract for fuel delivery in a specific location in order to meet the contract terms and conditions, the contractor will be required to provide in writing, all subcontractor information, location of delivery, and the amount and type of fuel required, to the proper state personnel for approval, prior to fuel delivery. The fuel must be delivered in accordance with the terms and conditions of the contract and no additional charges will be allowed.

INTERRUPTION OF SERVICE DUE TO ICING:

If ocean ice prevents the contractor from transporting the required fuel to a remote delivery location that is under contract, the contractor shall not be responsible for the inability to deliver fuel to a using agency in the location affected.

All reasonable efforts must be made by the contractor to transport the required fuel to a contract location affected by ice. In the event an icing issue occurs, the contractor must notify the contracting officer and using agencies that may be affected within 48 hours of the incident.

CONTRACT PRICING:

Contract pricing will fluctuate according to the Oil Price Information Service (OPIS) Weekly gross rack average price published in the Weekly OPIS newsletter. For additional information on OPIS, contact the following:

Oil Price Information Service
Two Washingtonian Center
9707 Washingtonian Blvd., Suite 100
Gaithersburg, MD 20878

Circulation: (888) 301-2645
www.opisnet.com

- The OPIS Weekly gross rack average price information is published weekly on Mondays in the OPIS Newsletter. The published price is a price average from the prior week. This information is also available via email or fax subscription. Contact OPIS for subscription information.
- Bidders are required to select either the Seattle OPIS or the Anchorage OPIS as a price location for each line item they are bidding on. The OPIS price location selected shall remain firm through the term of the contract including any renewals. The failure to select one of the OPIS price locations for a line item will result in your bid for that line item being deemed non-responsive and rejected.
- Upon award, the per gallon fuel price will be based on the OPIS Weekly gross rack average price per gallon in effect on the day of delivery, for the location selected (Anchorage or Seattle) on the Bid Schedule for the type and grade of fuel delivered.
- The Mgt price offered in response to this ITB will be added to the published OPIS Weekly gross rack average in effect on the day of delivery, for the location selected (Anchorage or Seattle) on the Bid Schedule for the type and grade of fuel delivered to equal the TFC per gallon charged to the state under the contracts resulting from this ITB.
- For the purposes of the contracts established as a result of this ITB, the delivery week is Monday through Sunday.

The per gallon contract price for all fuel deliveries shall be based on the following components:

- **OPIS Average Rack:** The OPIS Weekly gross rack average in effect on the day of delivery for the OPIS location selected (Anchorage or Seattle) on the Bid Schedule for the type and grade of fuel delivered.

For example, the OPIS Weekly gross rack average price from the Monday, August 5, 2013, OPIS Newsletter would be in effect for all fuel deliveries between Monday, August 5, 2013, and Sunday, August 11, 2013.

- **Mgt:** The amount per gallon that the vendor charges to deliver the fuel. This fee shall include all of the vendor's fixed and variable costs such as overhead, handling, delivery costs, fees, profit, etc. and the vendor's cost of having the fuel shipped from a refinery to the vendor's distribution location.

The total of the two items above shall equal the TFC price per gallon paid by the state for fuel delivered by the contractor on a specific day for a specific fuel type. The TFC is multiplied by the quantity of fuel delivered to equal the amount the state is invoiced. The OPIS Weekly gross rack average fluctuates on a weekly basis while the Mgt is a firm rate. The above price structure applies for all purchases regardless of fuel quantities.

Price Structure Example

Mgt		OPIS		TFC		Qty		Invoice
\$.1025	+	\$ 3.4590	=	\$ 3.5615	x	2,500	=	\$ 8.903.75

*The values shown in the example above are for illustrative purposes only.

Note: Winter Fuel Pricing - In the event weather or market conditions require the contractor to provide a blend of #1 and #2 fuels between October and March, the contractor shall charge the state the OPIS Weekly gross rack average in effect on the day of delivery for the number of gallons of each fuel type. No additional charges are permitted for the blending of fuels.

Winter Blended Fuel Price Example

Fuel Type	Mgt		OPIS		TFC		Qty		Invoice
#1	\$.1790	+	\$ 3.459	=	\$ 3.638	x	2,500	=	\$ 9,095.00
#2	\$.1790	+	\$ 3.259	=	\$ 3.438	x	1500	=	\$ 5,157.00
								Total Invoice	= \$ 14,252.00

INVOICING:

All invoices produced by the contractor as a result of purchases made by the state shall contain the following information, at a minimum:

1. Contract Number
2. Delivery location
3. Delivery ticket number
4. Vessel name (if AMHS)
5. Date of order
6. Date of delivery
7. Type of fuel delivered
8. Quantity delivered
9. OPIS price for day of delivery
10. Total price per gallon (OPIS + Mgt)
11. Applicable taxes
12. Type, quantity, and price for any additives
13. Total extended price

Only one invoice may be submitted per order; do not produce multiple invoices for partial shipments. Partial payments will not be made. Invoices that contain the appropriate information will be processed for payment.

Invoices that do not contain the correct documentation will be returned to the contractor for clarification.

It shall be the responsibility of the contractor to include with the invoice if possible, fuel delivery ticket(s) that are legibly signed by authorized state personnel. The state recognizes that under some circumstances it may not be possible to have the delivery tickets signed by an authorized representative of the state. However, the contractor must make a reasonable effort to have the delivery tickets signed. The quantity and fuel type as indicated on the delivery ticket(s) must be the same as the quantity and fuel type on the invoice submitted for payment.

INVOICE SUBMITTAL:

Invoices for all fuel purchases must be sent directly to the ordering agency. It shall be the responsibility of the contractor to obtain the correct mailing address and billing contact information for all users.

ANTICIPATED USERS:

It is anticipated that AMHS, ADF&G, DPS, and IFA will be entities making purchases from this contract. New users within a location serviced under a contract may be added at any time during the contract term(s). The contractor, prior to start of delivery to a qualified new user, should obtain required delivery and billing information from the ordering agency. The contractor must notify the DGS contracting officer of all new accounts that are opened.

ATTACHMENT A

FUEL SPECIFICATIONS: The following table provides the required fuel specifications. While there are certain circumstances when a using agency may require fuel that has differing tolerances than illustrated below, all fuel provided to the state must meet or exceed ASTM 975-05 at all times. While the following table represents fuel specifications for #1 and #2 Ultra Low Sulfur diesel, in the event low sulfur fuel is delivered, the fuel provided must meet the ASTM 975-05 specification for #1 or number #2 Low Sulfur diesel.

Specification	ASTM Test Method	#1 ULSD	#2 ULSD
Flash Point -- °C minimum	D93	38°	52°
Water and Sediment, % volume maximum	D2709	0.05	0.05
Distillation. One of the following must be met:			
1. Physical Distillation	D86		
Distillation Temp, °C 90%, % volume recovered			
Minimum			282
Maximum		288	338
2. Simulated Distillation	D2887		
Distillation Temp, °C 90%, % volume recovered			
Minimum			300
Maximum		304	356
Kinematic Viscosity, mm ² /s at 40°C	D445		
Minimum		1.3	1.9
Maximum		2.4	4.1
Ash % mass, maximum	D482	0.01	0.01
Sulfur, ppm, maximum	D5453	15	15
Copper Stripping Corrosion rating max 3 hrs at 50°C	D130	No. 3	No. 3
Cetane Number, minimum	D613	40	40
One of the following properties must be met:			
1. Cetane Index, minimum	D976-80	40	40
2. Aromaticity, % volume, maximum	D1319	35	35
Ramsbottom carbon residue on 10% distillation residue, % mass, maximum	D524	0.15	0.35
Lubricity, HFRR @ 60°, micron, maximum	D60-9	520	520

The state understands that the actual tolerances of fuel to the ASTM specification 975-05 are determined by the refinery and not the vendor. It must be noted that all fuel provided by a refinery is required to meet the ASTM minimum specification.