UNLEADED GASOLINE

*MANDATORY FOR STATE AGENCIES

AVAILABLE TO POLITICAL SUBDIVISIONS

The Office of Procurement and Property Management (OPPM) has established the following contracts for the bulk purchase and delivery of all grades of **Unleaded Gasoline** in various locations throughout the state. To utilize the contracts, contact the vendor listed for the location 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.

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

Contract Number 3587-B
Alaska Petroleum
Lisa Sundborg
(907) 488-2575
lisa@alaskapetroleum.net

Contract Number 3587-C
Big State Logistics
Mervin Gilbertson
(907) 322-1122
mgilbertson@bslak.com

Contract Number 3587-D
Bonanza Fuel
Scot Henderson
(907) 387-1201
shenderson@snc.org

Contract Number 3587-E
Bristol Alliance Fuels
Robert Cox
(907) 263-7043
bob.cox@bbindustrial.com

Contract Number 3587-F
Crowley Fuels
Trevor Carbaugh
(907) 777-5546
trevor.carbaugh@crowley.com

Contract Number 3587-G
Delta Western
John Cannon
(907) 276-2688
johnc@deltawestern.com

Contract Number 3587-H
Petro Marine
Cameron Libby
(907) 865-2315
caml@petro49.com

Contract Number 3587-I
Petro Star
Rick Borton
(907) 486-3245
rmborton@petrostar.com

Contract Number 3587-J
Shoreside Petroleum
Doug Lechner
(907) 344-4571
dougl@shoresidepetroleum.com

Table A identifies the locations where the purchase and delivery of **Unleaded Gasoline** is **mandatory** for executive-branch state agencies.

Pricing for the locations listed in this table is based on **Standard Delivery** pricing. Standard Delivery pricing is based on the Oil Price Information Services (OPIS) Daily gross rack average in effect on the day of delivery for the type and grade of fuel delivered, plus or minus the Mgt Fee listed below.

The OPIS Daily gross rack average price information is published twice daily in the OPIS Newsletter.
For deliveries on Saturday-Monday, the price in effect is the OPIS published the previous Friday.

Contact OPIS for subscription information.

www.opisnet.com

The table also indicates the vendor and OPIS price location.

Table A: Mandatory Locations

Location	Vendor	OPIS Location	Mgt Fee
Anchorage	Shoreside Petroleum	Anchorage	-$ 0.0950
Big Delta	Big State Logistics	Fairbanks	$ 0.1644
Birch Lake	Delta Western	Fairbanks	$ 0.0800
Birchwood	Crowley Fuels	Anchorage	$ 0.0749
Camp Carroll	Crowley Fuels	Anchorage	$ 0.2499
Cantwell	Delta Western	Fairbanks	$ 0.1300
Central	Crowley Fuels	Fairbanks	$ 0.9999
Chandalar	Delta Western	Fairbanks	$ 0.2900
Chitina	Crowley Fuels	Anchorage	$ 0.2799
Circle Hot Springs	Alaska Petroleum	Fairbanks	$ 0.5500
Coldfoot	Delta Western	Fairbanks	$ 0.3000
Cordova	Shoreside Petroleum	Seattle	$ 1.6900
Craig	Petro Marine	Seattle	$ 0.9261
Deadhorse	Delta Western	Fairbanks	$ 0.6900
Delta Junction	Crowley Fuels	Fairbanks	$ 0.1299
Eagle	Crowley Fuels	Anchorage	$ 0.7000
Eagle River	Crowley Fuels	Anchorage	$ 0.1499
Ernestine	Crowley Fuels	Anchorage	$ 0.4699
Fairbanks	Delta Western	Fairbanks	$ 0.0200
Finger Lake	Crowley Fuels	Anchorage	$ 0.3599
Girdwood	Shoreside Petroleum	Anchorage	-$ 0.0009
Glennallen	Crowley Fuels	Anchorage	$ 0.3399
Healy	Crowley Fuels	Fairbanks	$ 0.1999
Homer	Crowley Fuels	Anchorage	$ 0.2499
Jim River	Alaska Petroleum	Fairbanks	$ 0.4700
Juneau	Petro Marine	Seattle	$ 0.3089
Kenai	Petro Marine	Anchorage	$ 0.0376
Ketchikan	Petro Marine	Seattle	$ 0.3980
Klawock/Hollis	Petro Marine	Seattle	$ 0.9261
Livengood	Delta Western	Fairbanks	$ 0.1200
Manley	Crowley Fuels	Fairbanks	$ 0.2799
Manley Station	Crowley Fuels	Fairbanks	$ 0.2799
Montana Creek	Crowley Fuels	Fairbanks	$ 0.4499
Nelchina	Crowley Fuels	Anchorage	$ 0.2499

Nenana	Crowley Fuels	Anchorage	$ 0.4299
Northway	Crowley Fuels	Anchorage	$ 0.5399
O'Brien Creek	Crowley Fuels	Anchorage	$ 0.6499
Palmer	Shoreside Petroleum	Anchorage	$ 0.0479
Paxson	Crowley Fuels	Anchorage	$ 0.2499
Petersburg	Petro Marine	Seattle	$ 0.9261
Pt. Mackenzie	Crowley Fuels	Anchorage	$ 0.1399
Sag River	Delta Western	Fairbanks	$ 0.3400
Seven Mile	Delta Western	Fairbanks	$ 0.1900
Seward	Shoreside Petroleum	Anchorage	$ 0.1957
Sitka	Petro Marine	Seattle	$ 0.3349
Skagway	Petro Marine	Seattle	$ 0.9261
Slana	Crowley Fuels	Seattle	$ 0.2199
Southfork	Alaska Petroleum	Fairbanks	$ 0.6000
Talkeetna	Crowley Fuels	Anchorage	$ 0.2499
Tazlina	Crowley Fuels	Anchorage	$ 0.2699
Tok	Delta Western	Fairbanks	$ 0.1300
Trimms	Delta Western	Fairbanks	$ 0.1500
Wasilla	Shoreside Petroleum	Anchorage	-$ 0.0290

Table B identifies the locations where the purchase and delivery of **Unleaded Gasoline** is **non-mandatory** for executive-branch state agencies.

Pricing for the locations listed in this table is based on **Remote Delivery** pricing. Remote delivery pricing is based on contractors current Retail Price (less taxes), minus the Discount, and plus or minus the Delivery Surcharge (if applicable), listed in the table below. This equals the **Total Cost per Gallon** of fuel.

***Table B: Non-Mandatory Locations**

Location	Vendor	Current Retail Price	Discount	Delivery Surcharge	Total Cost per Gallon
Aniak	Crowley Fuels	$ 5.8990	N/A	N/A	**$ 5.8990**
Bethel	Delta Western	$ 4.4720	$ 0.5000	N/A	**$ 3.9720**
Dillingham	Bristol Alliance Fuels	$ 3.4400	$ 1.0650	N/A	**$ 2.3750**
Fort Yukon	Crowley Fuels	$ 5.6990	N/A	N/A	**$ 5.6990**
Galena	Crowley Fuels	$ 6.1440	N/A	N/A	**$ 6.1440**
Haines	Delta Western	$ 2.8104	N/A	N/A	**$ 2.8104**
King Salmon	Delta Western	$ 3.8800	N/A	$ 0.2800	**$ 4.1600**
Kodiak	Petro Marine	$ 2.6400	$ 0.0700	N/A	**$ 2.5700**
Kotzebue	Crowley Fuels	$ 4.8790	N/A	N/A	**$ 4.8790**
Nome	Bonanza Fuel	$ 4.3960	$ 1.000	N/A	**$ 3.3960**

St. Mary's	Crowley Fuels	$ 5.6990	N/A	N/A	**$ 5.6990**
Wood Tikchik	Bristol Alliance Fuels	$ 3.4400	$ 1.0650	N/A	**$ 2.3750**
Yakutat	Delta Western	$ 3.3570	N/A	N/A	**$ 3.3750**

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 contract is for mandatory and non-mandatory use contracts for the purchase and delivery of the following fuel types in various locations throughout Alaska: Heating Oil, Ultra-Low Sulfur Diesel, Unleaded Gasoline, Aviation Gasoline (100LL), and Jet-A Fuel

The above fuels will be delivered on a "keep-full" or "as-needed" basis into bulk fuel tanks, bulk fuel drums, p/u tanks, or aircraft located throughout Alaska. See the attached **Bid Schedule** for information on the specific locations.

All locations designated as **Standard Delivery** shall be considered mandatory for executive branch state agencies. All locations designated as **Remote Delivery** shall be considered non-mandatory for executive branch state agencies.

The contracts shall be available to all executive branch state 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.

The state reserves the right to solicit competitive quotations outside the contracts for any single purchase of less than 250 gallons or in any location without a contract.

DEFINITIONS:

The following definitions are applicable throughout this contract:

- **Av-Gas:** Aviation Gasoline grade 100LL to be used in reciprocating engines.
- **Bidder:** An entity submitting a bid in response to this ITB.
- **Bulk Fuel Tank:** Storage tanks located above or underground, next to, or near a state operated facility that hold 250 gallons or more.
- **Bulk Fuel Drums:** A cylindrical container used for transport and storage of fuel. A bulk fuel drum generally contains 55 gallons.

- ✓ Ordering agencies are responsible for providing fuel drums to the contractor. The procurement of fuel drums by state agencies must follow standard procurement procedures.
- ✓ Fuel drums must be filled by the contractor at the contractor's location, or may be filled at a location designated by the state if the contractor agrees. If shipping is required, all shipping costs must be billed to the ordering agency as a pass-through charge.

- **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 Division of General Services (DGS) contracting officer responsible for the overall development and administration of this ITB and any resulting contracts.
- **Distribution Point:** A location where a contractor has the ability to store bulk fuel for delivery to state facilities located near that distribution point. For contractors who do not store bulk fuel but purchase fuel from other sources, the distribution point would be the location where the fuel is purchased.
- **Jet A:** Jet Fuel used in turbine engines.
- **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:** 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.
- **P/U Tank:** A 100-200 gallon tank in a state owned truck that is driven to and from a fueling site by state personnel. The p/u tank will be filled by the contractor personnel. Fuel will be pumped out of p/u tank by state personnel.
- **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.

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 by mutual consent of the state and the contractor.

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 unless in accordance with the next section.

CREDIT CARD SURCHARGE:

Individual purchases made with a credit card are subject to a surcharge. If applied by the contractor, the surcharge shall not exceed the actual amount the contractor is charged by their credit card processing provider to process the credit card transaction.

For example, if an ordering agency places an order of 5,000 gallons at $2.95 per gallon, and the contractor is charged 2% for processing a credit card transaction of that amount, the contractor may add a surcharge not exceeding 2% to the order total. If requested by the ordering agency, the contractor must provide documentation to the agency that verifies the surcharge is being billed in accordance with this section.

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 <u>not</u> 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.

CERTIFIED METERS:

All fuel delivered by truck must either be certified at the rack through a bill of lading (BOL) for accurate delivery volume or be delivered by a truck that has fixed meters for registering exact quantities of fuel pumped. Regardless of method, all meters utilized for measuring fuel volume shall be calibrated and certified by State of Alaska, Department of Transportation and Public Facilities, Division of Weights and Measures.

Meters must be recalibrated at the frequency prescribed by the Department of Transportation and Public Facilities. Meters that malfunction must be repaired and re-calibrated before being placed back in service. 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.

SPECIFICATIONS:

All fuel delivered must meet current ASTM specifications in effect at the time of delivery or ordering agency requirements for the type of fuel delivered. 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 TESTING:

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 current ASTM specifications or ordering agency requirements. The contractor will be allowed to participate in any such tests.

PRODUCT QUALITY:

In case of substandard fuel or damage directly traceable to contaminates 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 contactor shall first attempt to determine what caused the substandard fuel or contaminates 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.

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.

INTERRUPTION OF SERVICE:

If, in the event fueling services are interrupted at any of the specified fueling locations and the interruption is the responsibility of the contractor's, the contractor must notify the contracting officer at the following number: (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 contracting officer 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 or river 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.

ORDERING PROCEDURES:

Orders placed under the contracts established as a result of this ITB fall into two categories as detailed below:

As Needed Orders

As needed orders placed by using agencies will normally be made via a telephone call to the vendor requesting an “as needed” delivery. Ordering agencies should be prepared to provide the vendor the following information:

- Contract Award Number
- Type of fuel required
- Estimated quantity of fuel required
- Delivery address
- State billing address
- Contact name and phone number at delivery address

Keep Full Orders

Keep full orders are generally only placed one time. Once placed, it is the contractor’s responsibility to ensure the tank is never less than 25% full. Ordering agencies should be prepared to provide the vendor the following information:

- Contract Award Number
- Type of fuel required
- Size of tank
- Estimated annual quantity
- Special considerations: This could include changing to a different fuel in the winter or having a new requirement due to changes in state operations.
- Delivery address

- State billing address
- Contact name and phone number at delivery address

Note: The ordering agency should notify the contracting officer if a contractor allows a tank to run out of fuel.

RUN-OUT PENALTY:

The contractor shall be subject to a $250.00 run-out penalty each time a tank is permitted to run dry. Upon authorization from the contracting officer, the penalty will be deducted from the next invoice paid by the state.

The contractor shall also liable for any and all damages in excess of $250 to state equipment and property that results from the tank running out of fuel.

DELIVERY:

While no guarantee is offered or implied as to the quantity of fuel purchased, the contract price shall apply regardless of the quantity of fuel purchased. All deliveries are F.O.B. into state bulk fuel tanks, bulk fuel drums, p/u tanks, or aircraft located throughout Alaska.

All deliveries will be on a “keep full” or “as needed” basis. An agency may request in writing that deliveries be changed to either an “as needed” or “keep full” basis. If requested, the change in delivery status will be effective 30 days after the written notice is provided to the contractor.

Keep Full:

When “keep full” service is requested by an agency, this means that the contractor shall ensure that all tanks will be maintained by the contractor to be not less than 25% full at any time.

As Needed:

When “as needed” service is requested by an agency, the contractor shall complete the delivery **within two working days** after the receipt of an order. Deliveries are to be coordinated between the contractor and the ordering agency upon the placement of an as needed order. The contractor cannot require a minimum order in excess of 200 gallons.

A contractor’s failure to keep a tank at the required “keep full” level of not less than 25%, failure to make “as needed” deliveries within two working days, or requiring a minimum order in excess of 200 gallons may cause the state to declare the contractor in default of the contract. The state will not pay for failed deliveries.

CONTRACT PRICING:

Contract pricing shall be based on the following two methods:

Standard Delivery Price Structure:

For all locations under the Standard Delivery Price Structure, the contract pricing will fluctuate according the Oil Price Information Service (OPIS) Daily gross rack average price published in the OPIS newsletter. For additional information on OPIS, contact the following:

Oil Price Information Service
Two Washingtonian Center
9737 Washingtonian Blvd., Suite 200
Gaithersburg, MD 20878

(888) 301-2645
www.opisnet.com

- The OPIS Daily gross rack average price information is published twice daily in the OPIS Newsletter. This information is also available via email or fax subscription. Contact OPIS for subscription information.

- Bidders are required to select either, Anchorage, Fairbanks, or Seattle OPIS as a price location for each Standard Delivery location (lot) 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 lot will result in your bid for that lot being deemed non-responsive and rejected.

- Upon award, the per gallon fuel price will be based on the OPIS Daily gross rack average price per gallon in effect on the day of delivery for the location selected (Anchorage, Fairbanks, 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 Daily gross rack average in effect on the day of delivery, for the location selected on the Bid Schedule (Anchorage, Fairbanks, or Seattle) 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.

The price per gallon of fuel for locations under the Standard Delivery Price Structure shall be based on the following components:

- **OPIS Daily gross rack average**: The OPIS Daily gross rack average in effect on the day of delivery for the location selected on the Bid Schedule (Anchorage, Fairbanks, or Seattle) for the type and grade of fuel delivered. The OPIS price in effect on the day of delivery is the previous day's closing OPIS report.

  For example, fuel delivered on Wednesday must be priced using the Tuesday closing OPIS report. Fuel delivered on Monday must be priced using the previous Friday's closing OPIS report.

  <u>Note</u>: If there is no OPIS Daily gross rack average available for the Fairbanks OPIS price location, the contractor shall use the OPIS Weekly gross rack average price published weekly on Mondays in the OPIS newsletter.

  For example, the OPIS Weekly gross rack average price from the Monday, August 1, 2016, OPIS Newsletter would be in effect for fuel delivered between Monday, August 1, 2016, and Sunday, August 5, 2016.

Note: Since there is no published OPIS Daily gross rack average for Heating Oil and Jet A in the Seattle OPIS location, the contractor shall use the Jet A price published in the daily OPIS West Coast Spot Market Report, Pacific Northwest, for Heating Oil and Jet A deliveries.

- **Mgt:** The amount per gallon that the vendor charges the state to deliver the fuel. This fee must 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 point.

  The total of the OPIS Daily gross rack average price plus the Mgt shall equal the TFC price per gallon paid by the state for fuel delivered by the vendor 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 Daily gross rack average fluctuates on a daily basis while the Mgt is a firm rate.

The above price structure applies for all purchases of fuel in standard delivery locations regardless of fuel quantities.

Standard Delivery Price Structure Example

OPIS		**Mgt**		**TFC**		**Qty**		**Invoice Amount**
$3.459	+	$0.1025	=	$3.5615	x	2500	=	$8903.75

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

Remote Delivery Price Structure:

The pricing structure for all locations under the Remote Delivery Price Structure shall be based on the vendor's current retail price, minus taxes, minus a discount, plus or minus the delivery surcharge.

This price structure also applies to all deliveries of AvGas 100 LL in all locations where contracts for AvGas are awarded, including locations under the Standard Delivery Price Structure. Note: AvGas is not tracked by OPIS.

There are two different pricing structure options for locations under the Remote Delivery Price Structure: Distribution point and non-distribution point. Bidders must indicate a distribution point for each Remote Delivery location listed on the **Bid Schedule.**

Distribution Point: A location where a bidder has the ability to store bulk fuel for delivery to state facilities located near that distribution point.

For example: The bidder stores heating oil in Bethel. The bidder would indicate on the Remote Delivery section of the Bid Schedule that Bethel is a distribution point, enter the current retail price, minus taxes, for heating oil in Bethel, and enter the discount offered to the state. **A delivery surcharge is not allowed in locations the bidder identifies as a distribution point.**

Note: For bidders who do not store bulk fuel but purchase bulk fuel from other vendors, the distribution point would be the location where the fuel is purchased.

For example: Vendor A purchases heating oil from Vendor B located in Bethel. Vendor A then delivers that fuel to state agencies located in Bethel, Atmauluak and Akiak. Vendor A would list Bethel as the distribution point for Bethel, Atmauluak and Akiak. **Vendor A would be allowed to enter a delivery surcharge for deliveries to Atmauluak and Akiak but not allowed to enter a delivery surcharge for deliveries in Bethel.**

The per gallon price of fuel delivered to locations identified as a distribution point shall be based on the following components:

- **Current Retail Price (CRP):** The current per gallon retail price, minus all applicable taxes, in effect on the day of delivery for the type of fuel delivered in locations identified as distribution points. The price must include the vendor's cost to transport the fuel from the refinery to the vendor's distribution point, and all of the vendor's fixed and variable costs such as overhead, handling, delivery costs, fees, profit, etc.

- **Discount:** The per gallon discount offered by the vendor, which is subtracted from the retail price offered by the vendor at the distribution point location.

The total of the current retail price minus the discount shall equal the TFC price per gallon paid by the state for the specific fuel delivered on a specific day in a location identified as a distribution point. The TFC is multiplied by the quantity of fuel delivered to equal the amount the state is invoiced. The retail price fluctuates depending upon when the vendor receives fuel at their distribution point, while the discount rate remains firm.

The above price structure applies for all purchases in remote locations identified as a distribution point regardless of fuel quantities.

Distribution Point Price Structure Example

CRP		Discount		TFC		Qty		Invoice Amount
$3.1025	-	$0.0220	=	$3.0805	x	2,500	=	$7,701.25

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

Non-Distribution Point: A remote location where a vendor delivers fuel to the state.

For example: The bidder stores heating oil in Bethel for delivery to state facilities in Atmauluak and Akiak. The bidder would indicate on the Remote Delivery section of the Bid Schedule that Bethel is the distribution point for Atmauluak and Akiak, enter the current retail price, minus taxes, for heating oil in Bethel, and enter the discount offered to the state. The bidder may also enter a per gallon delivery surcharge for Atmauluak and Akiak.

The per gallon price of fuel delivered to locations identified as non-distribution points shall be based on the following components:

- **Current Retail Price (CRP):** The current per gallon retail price at the distribution point, minus all applicable taxes, in effect on the day of delivery for the type of fuel delivered to each location identified as a non-distribution point. The price must include the vendor's cost to transport the fuel from the refinery to the vendor's distribution point, and all of the bidder's fixed and variable costs such as overhead, handling, delivery costs, fees, profit, etc.

- **Discount:** The per gallon discount offered by the vendor, which is subtracted from the retail price offered at the distribution point location.

- **Delivery Surcharge:** The per gallon amount that the vendor charges the state to deliver the fuel to locations that are identified as non-distribution points.

The total of the current retail price, minus the discount, plus the delivery surcharge, shall equal the TFC per gallon paid by the state for the specific fuel delivered on a specific day to a location identified as a non-distribution point. The TFC is multiplied by the quantity of fuel delivered to equal the amount the state is invoiced. The retail price fluctuates depending upon when the vendor receives fuel at their distribution point, while the discount rate and delivery surcharge rate remains firm.

<u>The above price structure applies for all purchases in remote locations identified as a non-distribution point regardless of fuel quantities.</u>

Non-Distribution Point Price Structure Example

CRP		Discount		Delivery Surcharge		TFC		Qty		Invoice Amount
$3.1025	-	$0.0220	+	$0.0154	=	$3.0959	x	2500	=	$7,739.75

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

<u>BLENDED FUELS:</u>

The contractor shall coordinate with the ordering agency to ensure delivery of the fuel grade appropriate for weather conditions at the time of delivery. If a blend of #1 and #2 fuels is required, the contractor shall charge the ordering agency based on the following:

<u>Standard Delivery Price Structure</u>: Locations under the Standard Delivery Price Structure shall be charged the contract based OPIS Daily gross rack average price in effect for the particular location on the day of delivery, for the number of gallons of each fuel type, plus or minus the Mgt. No additional charges are permitted for the blending of fuels.

Blended Fuel Price Example – Standard Delivery

Fuel Type	OPIS		Mgt		TFC		Qty		Invoice
#1	$3.4590	+	$0.1790	=	$3.6380	x	2500	=	$9,095.00
#2	$3.2590	+	$0.1790	=	$3.4380	x	1500	=	$5,157.00
							Total Invoice	=	$14,252.00

<u>Remote Delivery Price Structure</u>: Locations under the Remote Delivery Price Structure shall be charged the contract based CRP, minus all applicable taxes, in effect for the particular location on the day of delivery, for the number of gallons of each fuel type. If the location is a distribution point, the applicable per-gallon discount will also be subtracted. If the location is a non-distribution point, the applicable discount will also be subtracted and the applicable per-gallon delivery surcharge (DS) will be added. No additional charges are permitted for the blending of fuels.

Blended Fuel Price Example – Remote Delivery, Distribution Point

Fuel Type	CRP		Discount		TFC		Qty		Invoice
#1	$3.1025	-	$0.0220	=	$3.0805	x	2500	=	$7,701.25
#2	$3.0412	-	$0.0220	=	$3.0192	x	1500	=	$4,528.80
							Total Invoice	=	**$12,230.05**

Blended Fuel Price Example – Remote Delivery, Non-Distribution Point

Fuel Type	CRP		Discount		DS		TFC		Qty		Invoice
#1	$3.1025	-	$0.0220	+	$0.0154	=	$3.0959	x	2500	=	$7,739.75
#2	$3.0412	-	$0.0220	+	$0.0154	=	$3.0346	x	1500	=	$4,551.90
									Total Invoice	=	**$12,291.65**

INVOICING:

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

- Contract number
- Delivery location
- Delivery ticket number
- Date of order (if an "as-needed" order)
- Date of delivery
- Type of fuel delivered
- Quantity delivered
- Any applicable taxes
- Type, quantity and price for any additives
- 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.

NEW USERS:

New users within a location serviced under a contract may be added at any time during the contract term. The contractor, prior to start of delivery to a qualified new user, should obtain required delivery and billing information from the ordering agency.

ESTIMATED QUANTITIES:

The quantities referenced in this ITB are the state's estimated annual requirements and may vary more or less from the quantities actually purchased. The state does not guarantee any minimum or maximum purchase. Orders will be issued throughout the contract period as required. See the **Bid Schedule** for estimated annual usage quantities.

The following sections apply to all Jet A and Aviation Gasoline (100 LL) deliveries.

FILTER SYSTEM STANDARDS:

All fuel provided for aviation purposes must be filtered directly into bulk tanks under the most current filter standards provided by the American Petroleum Institute (API) or Institute of Petroleum (IP). Aviation fuel shall be dispensed into aircraft, bulk fuel tanks, or bulk fuel drums through filter vessels containing filter/separator or filter monitor type elements to continuously remove contamination down to levels acceptable for aircraft usage.

All filtration equipment must meet industry performance qualifications of current edition of I.P. specification for aviation fuel filter monitors with absorbent type elements for mobile or stationary filter vessels.

FILTER DESIGN CODES:

Filter vessels shall be designed and constructed to conform to industry standards. All piping connections shall be weld end, flanged, or approved couplings. Connections shall have a rating equal to or greater than the pressure rating of the vessel.

FILTER VESSEL CONSTRUCTION:

The filter vessels shall be stainless steel, aluminum, or carbon steel. Carbon steel vessels shall be internally coated with an industry approved epoxy coating. Metal parts in contact with fuel shall not be made of metals such as zinc, copper, cadmium, or their alloys. Galvanized material is not authorized.

NAMEPLATE:

A stainless steel, nonferrous metal, or weather proof placard nameplate shall be securely attached to the vessel. The nameplate shall include the following information as a minimum:

- manufacturer's name and address
- serial number
- unit number

- API/IP classification/qualification
- designed flow rate
- date of manufacturer recommended element change frequency
- designed pressure differential maximum
- date put in service
- actual differential pressure maximum

GASKETS:

All gaskets shall be fuel compatible, defect, and leak free. Use of a Viton A, Buna N, or equivalent material is required.

DIFFERENTIAL PRESSURE GAUGE:

The filter vessel shall be equipped with a pressure differential gauge. The gauge will provide the pressure difference between upstream and downstream pressures. All pressure gauges must meet manufacturer's calibration requirements. Gauges must be sensitive enough to indicate a difference in pressure during actual flow rates (no readings of zero).

AIR ELIMINATOR:

Each filter/separator or monitor vessel shall be able to automatically or mechanically vent trapped air.

PRESSURE RELIEF VALVE:

Each filter/separator shall be equipped with a pressure relief valve set above the designed working pressure of the vessel and below the maximum design pressure allowable.

INLET-OUTLET MARKING:

Filter inlet and outlet connections shall be permanently marked.

ELEMENT SEALING:

Element sealing should meet industry standard mechanical requirements and manufacturer recommendations. They shall not leak or allow fuel by-pass.

QUALITY CONTROL TAPS:

Sampling taps with probes shall be provided downstream of filter vessel to permit the taking of effluent fuel samples under flow conditions. Taps should be equipped with a Gammon Technical Products Inc. connection (aircraft sampling kit #1 or #7), or equal. Probes allow Aqua-Glo, Matched Weight Gravimetric, and Color & Particle Assessment testing to determine particulate and free water contamination.

Filtered fuel must be delivered to bulk tanks at a minimum of 100 gallons per minute