

STATE OF ALASKA INVITATION TO BID (ITB)



MARINE DIESEL AND UNLEADED FUEL

ITB 2017-9900-3588

ISSUED: JANUARY 6, 2017

THE DEPARTMENT OF ADMINISTRATION, DIVISION OF GENERAL SERVICES, IS SEEKING TO ESTABLISH CONTRACTS FOR THE PURCHASE AND DELIVERY OF LOW AND ULTRA-LOW SULFUR DIESEL AND UNLEADED GASOLINE INTO VESSELS LOCATED THROUGHOUT ALASKA.

IMPORTANT NOTICE: If you received this solicitation from the State of Alaska's "Online Public Notice" web site, you must register with the contracting officer listed below in order to receive notification of subsequent amendments to the solicitation. Failure to register with the contracting officer may result in the rejection of your offer.

BIDDER'S NOTICE: By signature on this form, the bidder certifies that:

- (1) the bidder has a valid Alaska business license, or will obtain one prior to award of any contract resulting from this ITB. If the bidder possesses a valid Alaska business license, the license number must be written below or one the following forms of evidence submitted with the bid:
 - a canceled check for the business license fee;
 - a copy of the business license application with a receipt date stamp from the State's business license office;
 - a receipt from the State's business license office for the license fee;
 - a copy of the bidder's valid business license;
 - a sworn notarized affidavit that the bidder has applied and paid for a business license;
- (2) the price(s) submitted was arrived at independently and without collusion and that the bidder is complying with:
 - the laws of the State of Alaska;
 - the applicable portion of the Federal Civil Rights Act of 1964;
 - the Equal Employment Opportunity Act and the regulations issued thereunder by the State and Federal Government; and
 - all terms and conditions set out in this Invitation to Bid (ITB).

If a bidder fails to comply with (1) at the time designated in the ITB for opening the state will disallow the Alaska Bidder Preference. If a bidder fails to comply with (2) of this paragraph, the state may reject the bid, terminate the contract, or consider the contractor in default. Bids must be also submitted under the name as appearing on the bidder's current Alaska business license in order to receive the Alaska Bidder Preference.

Jason Grove, CPPB Contracting Officer	_____ COMPANY SUBMITTING BID	*DOES YOUR BUSINESS QUALIFY FOR THE ALASKA BIDDER'S PREFERENCE? <input type="checkbox"/> YES <input type="checkbox"/> NO
Phone: (907) 465-5679 TDD: (907) 465-2205	_____ AUTHORIZED SIGNATURE	*DOES YOUR BUSINESS QUALIFY FOR THE ALASKA VETERAN PREFERENCE? <input type="checkbox"/> YES <input type="checkbox"/> NO
Email: jason.grove@alaska.gov	_____ PRINTED NAME	*SEE ITB FOR EXPLANATION OF CRITERIA TO QUALIFY
_____ ALASKA BUSINESS LICENSE NUMBER	_____ DATE	_____ TELEPHONE NUMBER
_____ FEDERAL TAX ID NUMBER	_____ DATE	_____ E-MAIL ADDRESS

STANDARD TERMS AND CONDITIONS

INSTRUCTIONS TO BIDDERS:

1. INVITATION TO BID (ITB) REVIEW: Bidders shall carefully review this ITB for defects and questionable or objectionable material. Bidders' comments concerning defects and questionable or objectionable material in the ITB must be made in writing and received by the purchasing authority at least ten (10) days before the bid opening date. This will allow time for an amendment to be issued if one is required. It will also help prevent the opening of a defective bid, upon which award cannot be made, and the resultant exposure of bidders' prices. Bidders' original comments should be sent to the purchasing authority listed on the front of this ITB.

2. PRICES: The bidder shall state prices in the units of issue on this ITB. Prices quoted for commodities must be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized without further cost. Prices quoted for services must be quoted in U.S. funds and include applicable federal duty, brokerage fee, packaging, and transportation cost so that the services can be provided without further cost. Prices quoted in bids must be exclusive of federal, state, and local taxes. If the bidder believes that certain taxes are payable by the State, the bidder may list such taxes separately, directly below the bid price for the affected item. The State is exempt from Federal Excise Tax except 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 carriers.
- Leaking Underground Storage Tank Trust Fund Tax (LUST) - IRC, Section 4081 - on the purchase of Aviation gasoline, Diesel Fuel, Gasoline, and Kerosene.

3. VENDOR TAX ID NUMBER: If goods or services procured through this ITB are of a type that is required to be included on a Miscellaneous Tax Statement, as described in the Internal Revenue Code, a valid tax identification number must be provided to the State of Alaska before payment will be made.

4. FILING A PROTEST: A bidder may protest the content of the ITB, the award of a contract or the proposed award of a contract for supplies, services, or professional services. The protest must be filed in writing and include the following information: (1) the name, address, and telephone number of the protester; (2) the signature of the protester or the protester's representative; (3) identification of the contracting agency and the solicitation or contract at issue; (4) a detailed statement of the legal and factual grounds of the protest, including copies of relevant documents; and (5) the form of relief requested. Protests will be treated in accordance with Alaska Statutes (AS) 36.30.560-36.30.610.

CONDITIONS:

1. AUTHORITY: This ITB is written in accordance with AS 36.30 and 2 AAC 12.

2. COMPLIANCE: In the performance of a contract that results from this ITB, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws; and be liable for all required insurance, licenses, permits and bonds; and pay all applicable federal, state, and borough taxes. The contracting officer may reject any bid that does not comply with all of the material and substantial terms, conditions, and performance requirements of the ITB. Bidders may not qualify the bid nor restrict the rights of the state. If a bidder does so, the contracting officer may determine the bid to be a counter-offer and the bid may be rejected.

3. SUITABLE MATERIALS, ETC.: Unless otherwise specified, all materials, supplies or equipment offered by a bidder shall be new, unused, and of the latest edition, version, model or crop and of recent manufacture.

4. SPECIFICATIONS: Unless otherwise specified in the ITB, product brand names or model numbers specified in this ITB are examples of the type and quality of product required, and is not statements of preference. If the specifications describing an item conflict with a brand name or model number describing the item, the specifications govern. Reference to brand name or number does not preclude an offer of a comparable or better product, if full specifications and descriptive literature are provided for the product. Failure to provide such specifications and descriptive literature may be cause for rejection of the offer.

5. FIRM OFFER: For the purpose of award, offers made in accordance with this ITB must be good and firm for a period of ninety (90) days from the date of bid opening.

6. EXTENSION OF PRICES: In case of error in the extension of prices in the bid, the unit prices will govern; in a lot bid, the lot prices will govern.

7. BID PREPARATION COSTS: The State is not liable for any costs incurred by the bidder in bid preparation.

8. CONSOLIDATION OF AWARDS: Due to high administrative costs associated with processing of purchase orders, a single low bid of \$50 or less may, at the discretion of the State, be awarded to the next low bidder receiving other awards for consolidation purposes. This paragraph is not subject to the protest terms enumerated in "FILING A PROTEST" above.

9. CONTRACT FUNDING: Bidders are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.

10. CONFLICT OF INTEREST: An officer or employee of the State of Alaska may not seek to acquire, be a party to, or possess a financial interest in, this contract if (1) the officer or employee is an employee of the administrative unit that supervises the award of this contract; or (2) the officer or employee has the power to take or withhold official action so as to affect the award or execution of the contract.

11. ASSIGNMENT(S): Assignment of rights, duties, or payments under a contract resulting from this ITB is not permitted unless authorized in writing by the State of Alaska, Department of Administration, Division of General Services. Bids that are conditioned upon the State's approval of an assignment will be rejected as nonresponsive.

12. SUBCONTRACTOR(S): Within five (5) working days of notice, the apparent low bidder must submit a list of the subcontractors that will be used in the performance of the contract. The list must include the name of each subcontractor and the location of the place of business for each subcontractor and evidence of each subcontractor's valid Alaska business license. Subcontractors can only be changed per AS 36.30.115 (b).

13. 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.

14. LATE BIDS: Late bids are bids received after the time and date set for receipt of the bids. Late bids will not be accepted.

15. CONTRACT EXTENSION: Unless otherwise provided in this ITB, the State and the successful bidder/contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least thirty (30) days before the desired date of cancellation.

16. DEFAULT: In case of default by the contractor, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and hold the contractor responsible for any resulting excess cost and may seek other remedies under law or equity.

17. DISPUTES: If a contractor has a claim arising in connection with a contract resulting from this ITB that it cannot resolve with the State by mutual agreement, it shall pursue a claim, if at all, in accordance with the provisions of AS 36.30.620 – 632.

18. CONSUMER ELECTRICAL PRODUCT: AS 45.45.910 requires that "...a person may not sell, offer to sell, or otherwise transfer in the course of the person's business a consumer electrical product that is manufactured after August 14, 1990, unless the product is clearly marked as being listed by an approved third party certification program." Electrical consumer products manufactured before August 14, 1990, must either be clearly marked as being third party certified or be marked with a warning label that complies with AS 45.45.910(e). Even exempted electrical products must be marked with the warning label. By signature on this bid the bidder certifies that the product offered is in compliance with the law. A list of approved third party certifiers, warning labels and additional information is available from: Department of Labor and Workforce Development, Labor Standards & Safety Division, Mechanical Inspection Section, P.O. Box 107020, Anchorage, Alaska 99510-7020, (907)269-4925.

19. SEVERABILITY: If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

20. GOVERNING LAW; FORUM SELECTION: If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.

SPECIAL CONDITIONS:

1. ORDER DOCUMENTS: Except as specifically allowed under this ITB, an ordering agency will not sign any vendor contract. The State is not bound by a vendor contract signed by a person who is not specifically authorized to sign for the State under this ITB. The State of Alaska Purchase Order, Contract Award and Delivery Order are the only order documents that may be used to place orders against the contract(s) resulting from this ITB.

2. BILLING INSTRUCTIONS: Invoices must be billed to the ordering agency's address shown on the individual Purchase Order, Contract Award or Delivery Order, not to the Division of General Services. The ordering agency will make payment after it receives the merchandise or service and the invoice. Questions concerning payment must be addressed to the ordering agency.

3. CONTINUING OBLIGATION OF CONTRACTOR: Notwithstanding the expiration date of a contract resulting from this ITB, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.

PREFERENCES:

1. ALASKA BIDDER PREFERENCE: Award will be made to the lowest responsive and responsible bidder after an Alaska bidder preference of five percent (5%) has been applied. The preference will be given to a person who: (1) holds a current Alaska business license at the time designated in the invitation to bid for

bid opening; (2) submits a bid for goods or services under the name on the Alaska business license; (3) has maintained a place of business within the state staffed by the bidder, or an employee of the bidder, for a period of six months immediately preceding the date of the bid; (4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and, (5) if a joint venture, is composed entirely of ventures that qualify under (1) - (4) of this subsection. AS 36.30.170, AS 36.30.321(a) and AS 36.30.990[25]

2. ALASKA VETERAN PREFERENCE: If a bidder qualifies for the Alaska bidder preference under AS 36.30.321(a) and AS 36.30.990[25] and is a qualifying entity as defined in AS 36.30.321(f), they will be awarded an Alaska veteran preference of five percent (5%). The preference will be given to a (1) sole proprietorship owned by an Alaska veteran; (2) partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans; (3) limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or (4) corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans, and may not exceed \$5,000. The bidder must also add value by actually performing, controlling, managing, and supervising the services provided, or for supplies, the bidder must have sold supplies of the general nature solicited to other state agencies, other governments, or the general public - AS 36.30.321(i).

3. USE OF LOCAL FOREST PRODUCTS: In a project financed by state money in which the use of timber, lumber and manufactured lumber is required, only timber, lumber and manufactured lumber products originating in this state from Alaska forests shall be used unless the use of those products has been determined to be impractical, in accordance with AS 36.15.010 and AS 36.30.322.

4. LOCAL AGRICULTURAL AND FISHERIES PRODUCTS PREFERENCE: When agricultural, dairy, timber, lumber, or fisheries products are purchased using state money, a seven percent (7%) preference shall be applied to the price of the products harvested in Alaska, or in the case of fisheries products, the products harvested or processed within the jurisdiction of Alaska, in accordance with AS 36.15.050.

5. ALASKA PRODUCT PREFERENCE: A bidder that designates the use of an Alaska Product which meets the requirements of the ITB specification and is designated as a Class I, Class II or Class III Alaska Product by the Department of Community & Economic Development shall receive a preference in the bid evaluation in accordance with AS 36.30.332 and 3 AAC 92.010.

6. EMPLOYMENT PROGRAM PREFERENCE: If a bidder qualifies for the Alaska bidder preference under AS 36.30.321(a) and AS 36.30.990[25], and is offering goods or services through an employment program as defined under 36.30.990(11), they will be awarded an Employment Program Preference of fifteen percent (15%) in accordance with AS 36.30.321(b).

7. ALASKANS WITH DISABILITIES PREFERENCE: If a bidder qualifies for the Alaska bidder preference under AS 36.30.321(a) and AS 36.30.990[25], and is a qualifying entity as defined in AS 36.30.321(d), they will be awarded an Alaskans with Disabilities Preference of ten percent (10%) in accordance with AS 36.30.321(d). A bidder may not receive both an Employment Program Preference and an Alaskans with Disabilities Preference.

8. PREFERENCE QUALIFICATION LETTER: Regarding preferences 6 and 7 above, the Division of Vocational Rehabilitation in the Department of Labor and Workforce Development maintains lists of Alaskan; [1] employment programs that qualify for preference, and [2] individuals who qualify for preference as Alaskan's with disabilities. In accordance with AS 36.30.321(i), in order to qualify for one of these preferences, a bidder must add value by actually performing, controlling, managing, and supervising the services provided, or for supplies, a bidder must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.

As evidence of an individual's or a business' right to a certain preference, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of the preferences 6 or 7 above, an individual or business must be on the appropriate Division of Vocational Rehabilitation list at the time the bid is opened, and must attach a copy of their certification letter to their bid. The bidder's failure to provide this certification letter with their bid will cause the State to disallow the preference.

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. See the attached Bid Schedule for specific locations.

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.
- **Petroleum Gallon or Net Gallon:** Temperature corrected gallon of fuel (231 cu. in. @60 degrees Fahrenheit)
- **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.

- **U.S. Gallon or Gross Gallon:** 231 cu. in. of fuel (regardless of temperature)

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).

BID SUBMISSION AND DEADLINE FOR RECEIPT OF BIDS:

Bidders must submit a hard copy of their bid in a sealed package or via email per the instructions below.

Sealed bid packages must be addressed as follows:

State of Alaska
Department of Administration
Division of General Services
Address (see below)
Attention: Jason Grove
ITB Number: 2017-9900-3587

If using U.S. Mail, please use the following address:

P.O. Box 110210
Juneau, AK 99811-0210

If using a delivery service such as Fed Ex or UPS, use the following address:

333 Willoughby Avenue, Suite 700
Juneau, AK 99801

If submitting a bid via email, the required bid documents must be in PDF format and emailed to jason.grove@alaska.gov prior to the deadline for receipt of bids. Emails must contain the ITB number in the subject line of the email. Bids received via email will be immediately printed out and placed in a sealed envelope until the deadline for receipt of bids.

The **maximum** size of a single email (including all text and attachments) that can be received by the state is **20mb (megabytes)**. If the email containing the bid exceeds this size, the must be sent in multiple emails that are each less than 20mb. It is the bidder's responsibility to contact the contracting officer to confirm that the bid has been received. The state is not responsible for unreadable, corrupt, or missing attachments.

All bids must be received no later than **1:30 p.m.**, Alaska Time on **Friday, February 3, 2017**, at which time they will be publicly opened.

A bidder's failure to submit its bid prior to the deadline will cause the bid to be disqualified. Late bids will not be opened or accepted for evaluation and disqualified. **Please note that overnight delivery to and within Alaska rarely occurs.**

QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF BIDS:

All questions concerning this ITB must be in writing and directed to the contracting officer:

Jason Grove, CPPB

Phone: (907) 465-5679

TDD: (907) 465-2205

Email: jason.grove@alaska.gov

Two types of questions generally arise. One may be answered by directing the questioner to a specific section of the ITB. These questions may be answered over the telephone. Other questions may be more complex and may require a written amendment to the ITB. The contracting officer will make that decision.

AMENDMENTS TO BIDS OR THE ITB:

Amendments to bids or withdrawals of bids will only be allowed if requested in writing to the contracting officer prior to the deadline for receipt of bids. If an amendment to the ITB is issued, notice will be given to those who were provided a copy or notice of the ITB and to those who have registered with the contracting officer. Contact the contracting officer via telephone or email to register.

PRE-BID CONFERENCE:

A pre-bid conference will be held on **Wednesday, January 18, 2017**, at **10:00 a.m.** in the Division of General Services (DGS) large conference room in the State Office Building – 333 Willoughby Avenue, 7th Floor, Suite 700, in Juneau, Alaska. The purpose of the conference is to discuss certain terms and conditions in the ITB, and allow potential bidders to ask questions concerning the ITB. Parking spaces marked for visitor parking are available in the parking garage, basement level of the State Office Building.

Potential bidders should read the ITB and come to the meeting prepared to discuss any concerns. Those who wish to participate via teleconference instead of in person may dial into the conference at **(800) 315-6338**, **access code 05024**.

Bidders with a disability needing accommodation should contact the contracting officer prior to the pre-proposal conference so that reasonable accommodation can be made.

ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES:

Prior to the award of a contract, a bidder must hold a valid Alaska business license. However, in order to receive the Alaska Bidder Preference and other related preferences, such as the Alaska Veteran and Alaskans with Disabilities Preference, a bidder must hold a valid Alaska business license at the time of the deadline for receipt of bids.

Bidders may contact the Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, for information on these licenses:

Web: <https://www.commerce.alaska.gov/web/cbpl/>

Phone: (907) 465-2550

Acceptable evidence that the bidder possesses a valid Alaska business license may consist of any one of the following:

- (a) copy of an Alaska business license;
- (b) certification on the bid that the bidder has a valid Alaska business license and has included the license number in the bid (see front page);
- (c) a canceled check for the Alaska business license fee;
- (d) a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- (e) a sworn and notarized affidavit that the bidder has applied and paid for the Alaska business license.

You are not required to hold a valid Alaska business license at the time bids are opened if you possess one of the following licenses and are offering services or supplies under that specific line of business:

- fisheries business licenses issued by Alaska Department of Revenue or Alaska Department of Fish and Game,
- liquor licenses issued by Alaska Department of Revenue for alcohol sales only,
- insurance licenses issued by Alaska Department of Commerce, Community and Economic Development, Division of Insurance, or
- Mining licenses issued by Alaska Department of Revenue.

At the time designated for bid opening, all bidders must hold any other necessary applicable professional licenses required by Alaska Statute.

ALASKA BIDDER PREFERENCE:

An Alaska Bidder Preference of five percent will be applied prior to evaluation. The preference will be given to a bidder who:

- (1) holds a current Alaska business license at the time designated for bid opening;
- (2) submits a proposal for goods or services under the name appearing on the bidder's current Alaska business license;
- (3) has maintained a place of business within the state staffed by the bidder, or an employee of the bidder, for a period of six months immediately preceding the date of the bid;
- (4) is incorporated or qualified to do business under the laws of the state, is a sole proprietorship and the proprietor is a resident of the state, is a limited liability company (LLC) organized under AS 10.50 and all members are residents of the state, or is a partnership under AS 32.06 or AS 32.11 and all partners are residents of the state; and
- (5) if a joint venture, is composed entirely of ventures that qualify under (1)-(4) of this subsection.

Alaska Bidder Preference Affidavit

In order to receive the Alaska Bidder Preference, the bid must also include a statement certifying that the bidder is eligible to receive the Alaska Bidder Preference. If the bidder is a LLC or partnership as identified in

(4) of this subsection, the affidavit must also identify each member or partner and include a statement certifying that all members or partners are residents of the state.

If the bidder is a joint venture which includes a LLC or partnership as identified in (4) of this subsection, the affidavit must also identify each member or partner of each LLC or partnership that is included in the joint venture and include a statement certifying that all of those members or partners are residents of the state.

BIDDERS WITH DISABILITIES:

The State of Alaska complies with Title II of the Americans with Disabilities Act of 1990. Individuals with disabilities who may need auxiliary aids, services, and/or special modifications to participate in this procurement should contact the contracting officer no later than ten days prior to bid opening to make any necessary arrangements.

COMPLIANCE WITH ADA:

By signature of their bid the bidder certifies that they comply with the Americans with Disabilities Act of 1990 and the regulations issued there under by the federal government.

Services or activities furnished to the general public on behalf of the state must be fully accessible. This is intended to ensure that agencies are in accordance with 28 CFR Part 35 Section 35.130 and that services, programs or activities furnished to the public through a contract do not subject qualified individuals with a disability to discrimination based on the disability.

PREFERENCE QUALIFICATION:

In order to qualify for an Alaska Veterans Preference, Employment Program Preference, or Alaskans with Disabilities Preference, a bidder must add value by actually performing, controlling, managing, and supervising the services provided, or a bidder must have sold supplies of the general nature solicited to other state agencies, governments, or the general public.

CONTRACT PERFORMANCE LOCATION:

By signature on their bid, the bidder certifies that all services provided under this contract by the contractor and all subcontractors shall be performed in the United States.

If the bidder cannot certify that all work will be performed in the United States, the bidder must contact the contracting officer in writing to request a waiver at least 10 days prior to the deadline for receipt of bids.

The request must include a detailed description of the portion of work that will be performed outside the United States, where, by whom, and the reason the waiver is necessary.

Failure to comply with these requirements may cause the state to reject the bid or proposal as non-responsive, or cancel the contract.

SUBCONTRACTORS:

If a bidder leases services or supplies or acts a broker or agent in providing the services or supplies in order to meet the contract requirements, the contracting officer may not accept the bidder as a qualified bidder under AS 36.30.

Should a bidder determine the need to subcontract for fuel delivery in a specific location or locations in order to meet the contract requirements, the bidder must identify in their bid each subcontractor and the location(s) each subcontractor will deliver fuel. Prior to the award of a contract and within five working days of the state's request, the bidder must provide the following information concerning each prospective subcontractor:

- (a) complete name and address of the subcontractor;
- (b) evidence that the subcontractor holds a valid Alaska business license; and
- (c) a written statement, signed by each proposed subcontractor, that clearly verifies that subcontractor is committed to meeting the contract requirements at all times.

A bidder's failure to provide this information, within the time set, may cause the state to consider the bid non-responsive and reject it.

The bidder also agrees that resolving any contract performance issues that occur with any subcontractors during the term(s) of the contract is the responsibility of the bidder. All fuel must be delivered in accordance with the terms and conditions of the contract and no additional charges will be allowed.

During the term(s) of the contract, the addition of subcontractors or substitution of one subcontractor for another may be made only at the discretion and prior written approval of the contracting officer.

HUMAN TRAFFICKING:

By signature on their bid, the bidder certifies that the bidder is not established and headquartered or incorporated and headquartered in a country recognized as Tier 3 in the most recent United States Department of State's Trafficking in Persons Report. The most recent United States Department of State's Trafficking in Persons Report can be found at the following website: <http://www.state.gov/j/tip/>

Failure to comply with this requirement will cause the state to reject the bid as non-responsive, or cancel the contract.

DEFAULT:

A contractor's failure to comply with any of the terms and conditions of this contract may result in a default action by the state. It is the state's policy to provide contractors the opportunity to correct deficiencies before declaring default.

CONTRACT CANCELLATION:

The state reserves the right to cancel a contract awarded as a result of this ITB at its convenience upon thirty calendar days written notice to the contractor. The state is liable only for payment in accordance with payment provisions of the contract for services or supplies provided before the effective date of termination.

ADMINISTRATIVE FEE:

Contractors shall provide a quarterly administrative fee of 1.5% to the State of Alaska. Contractors shall submit a check, payable to the State of Alaska, Department of Administration, Division of General Services, for the calculated amount equal to 1.5% of all net sales for the quarterly period.

Contractors must include the contract number on the check. Checks submitted to the state without the contract number will be returned to the contractor for the required information.

Administrative fee checks shall be submitted to:

State of Alaska
Department of Administration
Division of General Services
PO Box 110210
Juneau, AK 99811-0210
ATTN: Purchasing Section

The administrative fee shall be incorporated into the contractor's Mgt Fee and shall not be invoiced or charged to an ordering agency. Payment of the administrative fee is due irrespective of payment status on any orders. Administrative fee checks are due for each quarter as follows:

<u>Reporting Period</u>	<u>Due Date</u>
State Fiscal Quarter 1 (Jul 1 - Sept 30):	Oct 31
State Fiscal Quarter 2 (Oct 1 - Dec 31):	Jan 31
State Fiscal Quarter 3 (Jan 1 - Mar 31):	Apr 30
State Fiscal Quarter 4 (Apr 1 - Jun 30):	Jul 31

Any quarter with zero sales must be reported as zero sales. This may be done electronically via email to the contracting officer.

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.

PROMPT PAYMENT DISCOUNT

All ordering agencies utilizing this contract are eligible to receive a **5%** discount for all invoices paid within **15** business days from the date of receipt of the fuel deliveries or a correct invoice, whichever is later. The

discount shall be taken on the full invoice amount. The state shall consider payment being made as either the date a printed warrant is issued or the date an electronic funds transfer (EFT) is initiated.

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.

INDEMNIFICATION:

The contractor shall indemnify, hold harmless, and defend the contracting agency from and against any claim of, or liability for error, omission or negligent act of the contractor under this agreement. The contractor shall not be required to indemnify the contracting agency for a claim of, or liability for, the independent negligence of the contracting agency.

If there is a claim of, or liability for, the joint negligent error or omission of the contractor and the independent negligence of the contracting agency, the indemnification and hold harmless obligation shall be apportioned on a comparative fault basis. "Contractor" and "contracting agency", as used within this and the following article, include the employees, agents and other contractors who are directly responsible, respectively, to each. The term "independent negligence" is negligence other than in the contracting agency's selection, administration, monitoring, or controlling of the contractor and in approving or accepting the contractor's work.

INSURANCE:

Without limiting contractor's indemnification, it is agreed that contractor shall purchase at its own expense and maintain in force at all times during the performance of services under this agreement the following policies of insurance. Where specific limits are shown, it is understood that they shall be the minimum acceptable limits. If the contractor's policy contains higher limits, the state shall be entitled to coverage to the extent of such higher limits.

Certificates of Insurance must be furnished to the contracting officer prior to beginning work and must provide for a 30-day prior notice of cancellation, non-renewal or material change of conditions. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach of this contract and shall be grounds for termination of the contractor's services. All insurance policies shall comply with, and be issued by insurers licensed to transact the business of insurance under AS 21.

Proof of insurance is required for the following:

Workers' Compensation Insurance: the contractor shall provide and maintain, for all employees engaged in work under this contract, coverage as required by AS 23.30.045, and; where applicable, any other statutory obligations including but not limited to Federal U.S.L. & H. and Jones Act requirements. The policy must waive subrogation against the state.

Commercial General Liability Insurance: covering all business premises and operations used by the contractor in the performance of services under this agreement with minimum coverage limits of \$5,000,000 combined single limit per occurrence and a pollution endorsement.

Commercial Automobile Liability Insurance: covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of \$1,000,000 combined single limit per occurrence.

Copies of Certificates of Insurance may be supplied with the bid and must be obtained by the contracting officer prior to the award of a contract. Failure to supply satisfactory proof of insurance within the time required will cause the state to declare the bidder non-responsible and reject the bid.

FIRM, UNQUALIFIED AND UNCONDITIONAL OFFER:

Bidders must provide enough information with their bid to constitute a definite, firm, unqualified and unconditional offer. To be responsive a bid must constitute a definite, firm, unqualified and unconditional offer to meet all of the material terms of the ITB.

Material terms are those that could affect the price, quantity, quality, or delivery. Also included as material terms are those which are clearly identified in the ITB and which, for reasons of policy, must be complied with at risk of bid rejection for non-responsiveness.

ALASKA PRODUCT PREFERENCE:

Bidders who offer products which have received certification by the Department of Commerce and Economic Development and that are listed in the current published edition of the "Alaska Products Preference List" will receive this preference.

In order to qualify for the Alaska Product Preference, a bidder must provide the qualified product on a 100% basis. There are no provisions under Alaska Statutes or regulations that allow for product exchanges/substitutions, or permit the product to be co-mingled with other products. Rather, AS 36.30.330 provides for a penalty for failing to use the designated Alaska products.

Products are classified in one of three categories:

- Class I products receive a three percent preference.
- Class II products receive a five percent preference.
- Class III products receive a seven percent preference.

When the bids are evaluated, the preference percentage will be deducted from the bid price. If a bidder fails to specify the brand being offered, no preference will be given. For more information on the Alaska Product Preference and to see the list of products currently on the Alaska Product Preference List, use the following web link:

<https://www.commerce.alaska.gov/web/ded/DEV/AlaskaProductPreferenceProgram.aspx>

The currently approved brands are:

ULSD: Petro Star, Tesoro
Unleaded: Tesoro

FUEL BRAND OFFERED:

If offering a fuel that qualifies for the Alaska Product Preference, the bidder must indicate the brand of fuel they intend to provide. If a bidder is not offering a fuel that qualifies for the Alaska Product Preference, the bidder does not need to indicate a brand of fuel.

“Generic” or “Un-Branded” does constitute a brand of fuel. However, “Generic” or “Un-Branded” fuel does not qualify for the Alaska Product Preference.

BRAND OF FUEL CHANGES:

If, during the course of the contract including all renewal options, a vendor that offered a fuel that qualified for the Alaska Product Preference wishes to change fuel brands, the contractor must first provide a written request, along with evidence that the replacement fuel brand also qualifies for the Alaska Product

Preference, for approval by the contracting officer. A contract amendment must be issued to authorize the change.

If a bidder offers a fuel in the original bid that does not qualify for the Alaska Product Preference, a change in fuel brands may be made at any time during the course of the contract, including all renewals, as long as the fuel continues to meet the required specifications. A contract amendment is not required if the fuel originally offered did not qualify for the Alaska Product Preference.

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.

FUEL METERING:

Throughout the life of the contract, the contractor must use the U.S. or gross gallon method for all fuel deliveries, as opposed to the petroleum or net gallon method (see definitions section).

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. This includes clearing all snow and ice that may accumulate in the immediate vicinity of the discharge station.

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

PRICE ADJUSTMENTS:

The contracts resulting from this ITB will include the following price adjustment clause:

Mgt Price Adjustment: The Mgt price offered in response to this ITB for each delivery location shall remain firm from the date of award through June 30, 2017. The Mgt price 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 location.

Contractors may request Mgt price adjustments, in writing, 30 days prior to June 30 of each year. If a contractor fails to request a price adjustment 30 days prior to June 30, the adjustment will be effective 30 days after the state receives their written request. All Mgt price adjustments must be approved by the contracting officer prior to the implementation of the adjusted price. Approval shall be in the form of a contract amendment issued by the contracting officer.

Price adjustments to the Mgt price(s) will be made in accordance with the percentage change in the U.S. Department of Labor Consumer Price Index (CPI-U) for All Urban Consumers, All Items, Anchorage Area.

The price adjustment rate will be determined by comparing the percentage difference between the CPI in effect for the base-year six-month average (July through December 2015), and each July through December six-month average thereafter. The percentage difference between those two CPI issues will be the price adjustment rate. No retroactive Mgt price adjustments will be allowed.

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.

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, which include the entities listed in the Anticipated Users section.

QUARTERLY VOLUME REPORTS:

Contractors are required to complete a quarterly volume report for each location and fuel type under contract. The volume report format will be provided by the DGS contracting officer to the contractor in a Microsoft Excel format at the end of each quarter. The volume reports submitted by the contractor must be in the exact format as provided by the contracting officer.

The volume report is due within 30 days of the end of the quarter (by October 31, January 31, April 30, and July 31), and must include volume information for non-state purchases under the contracts. The report must be submitted to the contracting officer. Failure to provide volume reports as required may result in contract default action.

METHOD OF AWARD:

Each line item on the Bid Schedule corresponds to a fueling location/fuel type. Award will be made by line item to the lowest responsive and responsible bidder for each line item. The following example is hypothetical and for illustration purposes only:

<u>OPIS Location</u>	<u>OPIS Price</u>
Seattle	\$3.459
Anchorage	\$3.749

Estimated annual gallons required in location XYZ is 20,000.

Bidder One:

- Selects the Anchorage OPIS with a price of \$3.749 per gallon
- Offers a Mgt of plus (+) .0825 cents
- Offers a Stand-by Fee of \$150.00 per hour
- Certifies that they will provide 100% Class III product and as such, qualifies for the Alaska Product Preference

Bidder Two:

- Selects the Seattle OPIS with a price of \$3.459 per gallon
- Offers a Mgt of plus (+) .0125 cents
- Offers a Stand-by Fee of \$300.00 per hour
- Bidder Two indicates they will not provide any Class III products and as such, does not qualify for the Alaska Product Preference

Based on the above information, the bidders would be evaluated as follows (note: the total bid amount includes the Stand-by Fee):

Bidder One:

<u>OPIS</u>		<u>Mgt + or -</u>		<u>TFC</u>		<u>Estimated Quantity</u>		<u>Total Bid Amount</u>		<u>7% AK Product Preference</u>		<u>5% AK Bidder Preference</u>		<u>Final Evaluation Bid Amount</u>
\$3.749	+	.0825	=	\$3.8315	x	20,000	=	\$76,780	-	\$5,364.10	-	\$3,839	=	\$67,576.90

Bidder Two:

<u>OPIS</u>		<u>Mgt + or -</u>		<u>TFC</u>		<u>Estimated Quantity</u>		<u>Total Bid Amount</u>		<u>7% AK Product Preference</u>		<u>5% AK Bidder Preference</u>		<u>Final Evaluation Bid Amount</u>
\$3.459	+	.0125	=	\$3.4715	x	20,000	=	\$69,430	-	N/A	-	\$3,471.50	=	\$65,958.50

The Alaska Product Preference is calculated by taking the OPIS per gallon price times the quantity (20,000), minus 7%. The preference is not applied to the Mgt price as it is not considered an Alaska product.

In this example, Bidder Two would receive the award since their total bid (\$65,958.50), after application of the applicable preferences, was lower than Bidder One (\$67,576.90).

Contract sales for fuel deliveries under the above example would be calculated as follows:

The Seattle Weekly OPIS Weekly gross rack average in effect on the day of delivery for the type of fuel delivered plus the Mgt equals the TFC. The TFC times the number of gallons equals the total invoice cost.

Electronic Bid Schedule: Due to the number of line-items, an electronic Bid Schedule has been developed in Microsoft Excel format. It is a separate document posted along with this ITB on the state's Online Public Notice website, titled ITB 2017-9900-3588 – Bid Schedule.

If you are submitting your bid via a sealed bid package, a hard copy of the Bid Schedule must be included with your bid. If submitting via email, the Bid Schedule must be saved and attached to the email in PDF format. Failure to submit the Bid Schedule with your bid will cause the state to consider the bid non-responsive and reject it.

Bidders only need to fill in the gray sections on the Bid Schedule for the line item(s) they are bidding on. Formulas have been built into the Bid Schedule and will auto-fill the remaining fields. The following instructions apply to the gray fields on the Bid Schedule.

Bid Schedule Instructions:

- **Fuel Brand:** The brand of fuel offered must be inserted in this column if offering a fuel that qualifies for the Alaska Product Preference. If a bidder is not such a fuel, the bidder does not need to indicate a brand of fuel.
- **Alaska Product Preference:** If you are offering a fuel that qualifies for the Alaska Product Preference, enter "Yes" from the drop down menu.
- **Management Fee:** Enter the Mgt you are offering in response to this ITB. If you are offering a negative number, a negative number must be entered (\$-.0125). Negative numbers will display in red font. The Mgt may be entered to four decimal points, for example (\$.0125).
- **OPIS Location:** From the drop down menu, select either the Anchorage or Seattle location. Once selected, the Bid Schedule will automatically enter the OPIS evaluation price in the next column.
- **Stand-by Fee:** Enter the Stand-by Fee price you are offering in response to this ITB. If no price is entered, no Stand-by Fee for that line item/location will be allowed during the term of the contract including all renewals.

Award will be made by line item to the lowest responsive and responsible bidder for each line item. Bidders must select the OPIS price location on the Bid Schedule; failure to select an OPIS price location for a line item will cause the bid for that line item to be considered non-responsive.

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			
Distillation Temp, °C 90%, % volume recovered	D86		
Minimum			282
Maximum		288	338
2. Simulated Distillation			
Distillation Temp, °C 90%, % volume recovered	D2887		
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.