

STATE OF ALASKA INVITATION TO BID (ITB)



STATEWIDE LAND FUELS

ITB 2022-0200-4928

ISSUED: OCTOBER 1, 2021

THE DEPARTMENT OF ADMINISTRATION, OFFICE OF PROCUREMENT AND PROPERTY MANAGEMENT, IS SEEKING CONTRACTS FOR THE PURCHASE AND DELIVERY OF HEATING OIL, ULTRA-LOW SULFUR DIESEL, UNLEADED GASOLINE, AVIATION GASOLINE, AND JET A FUEL ON A "KEEP FULL" OR "AS-NEEDED" BASIS BY STATE AGENCIES, POLITICAL SUBDIVISIONS, AND OTHER QUALIFIED ENTITIES IN VARIOUS LOCATIONS 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.

Jacob Nichols
Contracting Officer

Jacob Nichols

Cell Phone: (907) 419-7818
Email: jacob.nichols@alaska.gov

COMPANY SUBMITTING BID

AUTHORIZED SIGNATURE

PRINTED NAME

DATE

ALASKA BUSINESS LICENSE NUMBER

FEDERAL TAX ID NUMBER

*DOES YOUR BUSINESS QUALIFY FOR THE
ALASKA BIDDER'S PREFERENCE?

[] YES [] NO

*DOES YOUR BUSINESS QUALIFY FOR THE
ALASKA VETERAN PREFERENCE?

[] YES [] NO

*SEE ITB FOR EXPLANATION OF CRITERIA
TO QUALIFY

TELEPHONE NUMBER

E-MAIL ADDRESS

TABLE OF CONTENTS

SECTION 1. INTRODUCTION & INSTRUCTIONS	4
SEC. 1.01 PURPOSE OF THE ITB	4
SEC. 1.02 DEADLINE FOR RECEIPT OF BIDS	4
SEC. 1.03 INVITATION TO BID (ITB) REVIEW	4
SEC. 1.04 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF BIDS	4
SEC. 1.05 DEFINITIONS	4
SEC. 1.06 SUBMITTING BIDS	5
SEC. 1.07 BID FORMS	6
SEC. 1.08 PRICES	6
SEC. 1.09 PRE-BID CONFERENCE	6
SEC. 1.10 ASSISTANCE TO BIDDERS WITH A DISABILITY	7
SEC. 1.11 AMENDMENTS TO BIDS	7
SEC. 1.12 AMENDMENTS TO THE ITB	7
SEC. 1.13 ITB SCHEDULE	7
SEC. 1.14 ALTERNATE BIDS	8
SEC. 1.15 SUPPORTING INFORMATION	8
SEC. 1.16 FIRM, UNQUALIFIED, AND UNCONDITIONAL OFFER	8
SECTION 2. CONTRACT INFORMATION	9
SEC. 2.01 CONTRACT TERM	9
SEC. 2.02 CONTRACT ADMINISTRATION	9
SEC. 2.03 CONTRACT FUNDING	9
SEC. 2.04 CONTRACT EXTENSION	9
SEC. 2.05 CONTRACT CHANGES – UNANTICIPATED AMENDMENTS	9
SEC. 2.06 SUBCONTRACTORS	9
SEC. 2.07 JOINT VENTURES	10
SEC. 2.08 CONTRACT PERFORMANCE LOCATION	10
SEC. 2.09 SCOPE OF WORK AND SPECIFICATIONS	10
SEC. 2.10 PRODUCT TESTING AND QUALITY	11
SEC. 2.11 DELIVERY TIME	13
SEC. 2.12 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES	14
SEC. 2.13 CONTINUING OBLIGATION OF CONTRACTOR	14
SEC. 2.14 ESTIMATED QUANTITIES	14
SEC. 2.15 CONTRACT PRICE ADJUSTMENTS	14
SEC. 2.16 INDEMNIFICATION	15
SEC. 2.17 INSURANCE	15
SEC. 2.18 CONTRACT PRICING	16
SEC. 2.19 PROTECTION OF STATE PROPERTY AND SPILL PREVENTION	21
SEC. 2.20 INTERRUPTION OF SERVICE	22
SEC. 2.21 MANDATORY REPORTING	22
SECTION 3. CONTRACT INVOICING AND PAYMENTS	23
SEC. 3.01 ORDERING PROCEDURES	23
SEC. 3.02 BILLING INSTRUCTIONS	23
SEC. 3.03 ADMINISTRATIVE FEE	24
SEC. 3.04 PAYMENT FOR STATE PURCHASES	26
SECTION 4. EVALUATION AND CONTRACTOR SELECTION	27
SEC. 4.01 EVALUATION OF BIDS	27
SEC. 4.02 APPLICATION OF PREFERENCES	27
SEC. 4.03 ALASKA BIDDER PREFERENCE	27

SEC. 4.04	ALASKA VETERAN PREFERENCE	28
SEC. 4.05	ALASKA PRODUCT PREFERENCE.....	28
SEC. 4.06	EMPLOYMENT PROGRAM PREFERENCE	29
SEC. 4.07	ALASKANS WITH DISABILITIES PREFERENCE	29
SEC. 4.08	PREFERENCE QUALIFICATION LETTER	30
SEC. 4.09	EXTENSION OF PRICES.....	30
SEC. 4.10	METHOD OF AWARD	30
SEC. 4.11	NOTICE OF INTENT TO AWARD.....	35
SECTION 5.	GENERAL PROCESS AND LEGAL INFORMATION.....	36
SEC. 5.01	ALASKA BUSINESS LICENSE AND OTHER REQUIRED LICENSES.....	36
SEC. 5.02	AUTHORITY.....	36
SEC. 5.03	COMPLIANCE	36
SEC. 5.04	SUITABLE MATERIALS, ETC.	36
SEC. 5.05	SPECIFICATIONS.....	37
SEC. 5.06	CONTRACTOR SITE INSPECTION.....	37
SEC. 5.07	ORDER DOCUMENTS.....	37
SEC. 5.08	HUMAN TRAFFICKING	37
SEC. 5.09	RIGHT OF REJECTION	37
SEC. 5.10	STATE NOT RESPONSIBLE FOR PREPARATION COSTS.....	38
SEC. 5.11	DISCLOSURE OF BID CONTENTS.....	38
SEC. 5.12	ASSIGNMENTS.....	38
SEC. 5.13	FORCE MAJEURE (IMPOSSIBILITY TO PERFORM)	39
SEC. 5.14	DEFAULT	39
SEC. 5.15	DISPUTES	39
SEC. 5.16	SEVERABILITY	39
SEC. 5.17	CONTRACT CANCELLATION.....	39
SEC. 5.18	GOVERNING LAW; FORUM SELECTION	39
SEC. 5.19	SOLICITATION ADVERTISING	39
SEC. 5.20	QUALIFIED BIDDERS.....	40
SEC. 5.21	FEDERALLY IMPOSED TARIFFS	40
SEC. 5.22	PROTEST	41
SECTION 6.	ATTACHMENTS.....	42
SEC. 6.01	ATTACHMENT A (SEE NEXT PAGE)	42

SECTION 1. INTRODUCTION & INSTRUCTIONS

SEC. 1.01 PURPOSE OF THE ITB

The Department of Administration, Office of Procurement And Property Management, is seeking contracts for the purchase and delivery of heating oil, ultra-low sulfur diesel, unleaded gasoline, aviation gasoline, and jet a fuel on a “keep full” or “as-needed” basis by state agencies, political subdivisions, and other qualified entities in various locations throughout Alaska.

SEC. 1.02 DEADLINE FOR RECEIPT OF BIDS

All bids must be received no later than **1:30 p.m., Alaska Time, on Friday, October 22nd, 2021**, at which time they will be publicly opened.

SEC. 1.03 INVITATION TO BID (ITB) REVIEW

Bidders shall carefully review this ITB for defects and questionable or objectionable material. Comments concerning defects and questionable or objectionable material in the ITB should be made in writing and received by the procurement officer at least ten 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.

SEC. 1.04 QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF BIDS

All questions must be in writing and directed to the contracting officer. The interested party must confirm telephone conversations in writing. 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 procurement officer will make that decision.

SEC. 1.05 DEFINITIONS

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

- **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 Office of Procurement and Property Management (OPPM) 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.

SEC. 1.06 SUBMITTING BIDS

Due to ongoing COVID-19 issues, all bidders must submit a copy of their bid via email, per the instructions below.

The required bid documents must be in PDF format and emailed to: DOA.DGS.INFO@ALASKA.GOV.

Emails must contain "ITB 2022-0200-4928" in the subject line of the email. Bids received via email will be immediately placed in a secured email database until the deadline for receipt of bids. The contracting officer will not have access to the bids until after the deadline has passed.

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 bid 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, October 22nd, 2021**, 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 will be disqualified.

SEC. 1.07 BID FORMS

Bidders shall use the front page of this ITB and any other forms identified in this ITB for submitting bids. All bids must be signed by an individual authorized to bind the bidder to the provisions of the ITB.

BIDDER'S CERTIFICATION:

By signature on the bid, the bidder certifies that they comply with the following:

- A. the laws of the State of Alaska;
- B. the applicable portion of the Federal Civil Rights Act of 1964;
- C. the Equal Employment Opportunity Act and the regulations issued thereunder by the state and federal government;
- D. the Americans with Disabilities Act of 1990 and the regulations issued thereunder by the state and federal government;
- E. all terms and conditions set out in this ITB;
- F. the price(s) submitted was arrived at independently arrived and without collusion, under penalty of perjury; and
- G. that the bid will remain open and valid for at least 90 days.

If any bidder fails to comply with [A] through [G] of this paragraph, the state reserves the right to disregard the bid, terminate the contract, or consider the contractor in default.

CONFLICT OF INTEREST:

Each bid shall include a statement indicating whether or not the company or any individuals working on the contract has a possible conflict of interest (e.g., currently employed by the State of Alaska or formerly employed by the State of Alaska within the past two years) and, if so, the nature of that conflict. The procurement officer reserves the right to **consider a bid non-responsive and reject it** or cancel the award if any interest disclosed from any source could either give the appearance of a conflict or cause speculation as to the objectivity of the contract to be performed by the bidder.

SEC. 1.08 PRICES

The bidder shall state prices in the units of issue on this ITB. 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.

SEC. 1.09 PRE-BID CONFERENCE

A pre-bid conference will be held on **Monday, October 11th, at 9:00 a.m.** Alaska Time via Microsoft Teams. Please email the contracting officer for access to the Microsoft Teams link at: jacob.nichols@alaska.gov. Microsoft Teams may be viewed in a web browser or downloaded as an application on computers, tablets, and smart phones. Bidders requesting a disability accommodation should contact the contracting officer prior to the pre-bid conference.

The purpose of the conference is to discuss the work to be performed with prospective bidders and allow them to ask questions concerning the ITB. Bidders should read the ITB in full and come to the meeting prepared to discuss any questions or concerns.

QUESTIONS PRIOR TO DEADLINE FOR RECEIPT OF BIDS:

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

Jacob Nichols

Contracting Officer

Phone: (907) 419-7818

Email: jacob.nichols@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.

SEC. 1.10 ASSISTANCE TO BIDDERS WITH A DISABILITY

Bidders with a disability may receive accommodation regarding the means of communicating this ITB or participating in the procurement process. For more information, contact the procurement officer no later than ten days prior to the deadline for receipt of bids.

SEC. 1.11 AMENDMENTS TO BIDS

Amendments to or withdrawals of bids will only be allowed if acceptable requests are received prior to the deadline that is set for receipt of bids, in accordance with 2 AAC 12.140. No amendments or withdrawals will be accepted after the deadline unless the delay is due to an error of the contracting agency, in accordance with 2 AAC 12.160.

SEC. 1.12 AMENDMENTS TO THE ITB

If an amendment is issued, it will be provided to all who were notified of the ITB and to those who have registered with the contracting officer after receiving the ITB from the State of Alaska Online Public Notice website.

SEC. 1.13 ITB SCHEDULE

The ITB schedule set out herein represents the State of Alaska's best estimate of the schedule that will be followed. If a component of this schedule, such as the deadline for receipt of bids, is delayed, the rest of the schedule may be shifted accordingly. All times are Alaska Time.

ACTIVITY	TIME	DATE
Issue Date / ITB Released	12:00 pm	October 1, 2021
Pre-Bid Conference	9:00 am	October 11, 2021
Deadline for Receipt of Bids / Bid Due Date	1:30 pm	October 22, 2021
Bid Evaluations Complete	5:00pm	October 29, 2021
Notice of Intent to Award	5:00pm	November 1, 2021
Contract Issued	5:00pm	November 12, 2021

This ITB does not, by itself, obligate the state. The state's obligation will commence when the contract is approved by the Commissioner of the Department of Administration, or the Commissioner's designee. Upon written notice to the contractor, the state may set a different starting date for the contract. The state will not be responsible for any work done by the contractor, even work done in good faith, if it occurs prior to the contract start date set by the state.

SEC. 1.14 ALTERNATE BIDS

Bidders may only submit one bid for evaluation. In accordance with 2 AAC 12.830 alternate bids (bids that offer something different than what is asked for) will be rejected.

SEC. 1.15 SUPPORTING INFORMATION

Bidders shall submit all required technical, specification, and other supporting information with their bid, so that a detailed analysis and determination can be made by the procurement officer that the product offered meets the ITB specifications and that other requirements of the ITB have been met. However, provided a bid meets the requirements for a definite, firm, unqualified, and unconditional offer, the state reserves the right to request supplemental information from the bidder, after the bids have been opened, to ensure that the products or services offered completely meet the ITB requirements. The requirement for such supplemental information will be at the reasonable discretion of the state and may include the requirement that a bidder will provide a sample product(s) so that the state can make a first-hand examination and determination. A bidder's failure to provide this supplemental information or the product sample(s), within the time set by the state, will cause the state to consider the offer non-responsive and reject the bid.

SEC. 1.16 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 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.

SECTION 2. CONTRACT INFORMATION

SEC. 2.01 CONTRACT TERM

The length of the contract will be from the date of award, approximately November 12, 2021, through June 30, 2023, with the option to renew for four 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.

SEC. 2.02 CONTRACT ADMINISTRATION

The administration of this contract is the responsibility of the contracting officer appointed by the Department of Administration, Office of Procurement and Property Management (OPPM).

SEC. 2.03 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.

SEC. 2.04 CONTRACT EXTENSION

Unless otherwise provided in this ITB, the state and the successful bidder/contractor agree: (1) that any extension 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) the procurement officer will provide written notice to the contractor of the intent to cancel the month-to-month extension at least thirty (30) days before the date of cancellation. A month-to-month extension may only be executed by the procurement officer via a written contract amendment.

SEC. 2.05 CONTRACT CHANGES – UNANTICIPATED AMENDMENTS

During the course of this contract, the contractor may be required to perform additional work. That work will be within the general scope of the initial contract. When additional work is required, the state will provide the contractor a written description of the additional work and request the contractor to submit a firm time schedule for accomplishing the additional work and a firm price for the additional work. Cost and pricing data must be provided to justify the cost of such amendments per AS 36.30.400.

The contractor will not commence additional work until the procurement officer has secured required state approvals necessary for the amendment and issued a written contract amendment.

SEC. 2.06 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.

SEC. 2.07 JOINT VENTURES

Joint ventures are acceptable. If submitting a bid as a joint venture, the bidder must submit a copy of the joint venture agreement which identifies the principals involved and their rights and responsibilities regarding performance and payment.

SEC. 2.08 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 procurement 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 as non-responsive, or cancel the contract.

SEC. 2.09 SCOPE OF WORK AND SPECIFICATIONS

This Invitation to Bid (ITB) is intended to result in 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 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>

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. NOTE: The Department of Natural Resources (DNR), Division of Forestry (DOF), is considered exempt from mandatory use of this contract in either standard or remote delivery; their needs dictate reasonable alternate procurement of fuel on a timeline that does not fit with this contract.

The contracts established 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, Federally Recognized Tribes and all State of Alaska political subdivisions, cities, boroughs, and school districts. Federally Recognized Tribes means Native entity within the State of Alaska that is on the list published by the United States Bureau of Indian Affairs in 67 Federal Register, 46331-46333.

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.

The State reserves the right to add new locations, users, and fuel types as needed through the life of the contract. If the location is already serviced by a vendor(s) for other fuel types, they will be contacted first to see if they can provide the new additional fuel type. If the servicing vendor(s) do not have the capability, or voluntarily opt out of the new fuel delivery needs, then all other vendors on the current contract will be contacted for bids. If no current vendors bid, then the State will solicit vendors outside of the contract as needed.

SEC. 2.10 PRODUCT TESTING AND QUALITY

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 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.

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 compliant 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.

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.

SEC. 2.11 DELIVERY TIME

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 five working days for standard locations, or ten working days for remote locations**, 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 five working days for standard locations, or ten working days for remote locations, 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.

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.

SEC. 2.12 INSPECTION & MODIFICATION - REIMBURSEMENT FOR UNACCEPTABLE DELIVERABLES

The contractor is responsible for proving all products or the completion of all work set out in the contract. All products or work is subject to inspection, evaluation, and approval by the state. The state may employ all reasonable means to ensure that the work is progressing and being performed in compliance with the contract. The state may instruct the contractor to make corrections or modifications if needed in order to accomplish the contract's intent. The contractor will not unreasonably withhold such changes.

Substantial failure of the contractor to perform the contract may cause the state to terminate the contract. In this event, the state may require the contractor to reimburse monies paid (based on the identified portion of unacceptable products or work received) and may seek associated damages.

SEC. 2.13 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.

SEC. 2.14 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.

SEC. 2.15 CONTRACT 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 **September 30, 2023**. 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 point.

Contractors may request Mgt price adjustments, in writing, 30 days prior to September 30 of each year. If a contractor fails to request a price adjustment 30 days prior to September 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 2021), and each July through September 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.

Retail Price Adjustment: For the first 45 days of the contract, the retail pricing offered in response to this ITB shall remain firm. After the first 45 days, contractors may submit evidence of new retail pricing. The retail pricing may then be adjusted by the contractor each time they receive fuel from their fuel supplier to an identified distribution point. Retail pricing offered must not include taxes.

A copy of the contractor's retail pricing must be provided to the OPPM contracting officer within seven days of the contractor's receipt of fuel at their distribution point. The new retail pricing does not go into effect until the contracting officer's receipt of the pricing information from the contractor. Under no circumstances is updated retail pricing retroactive.

SEC. 2.16 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.

SEC. 2.17 INSURANCE

Without limiting the contractor's indemnification, it is agreed that the 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 procurement officer prior to contract approval and must provide for a notice of cancellation, non-renewal, or material change of conditions in accordance with policy provisions. 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 \$300,000 combined single limit per occurrence.
- Commercial Automobile Liability Insurance: covering all vehicles used by the contractor in the performance of services under this agreement with minimum coverage limits of \$300,000 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.

SEC. 2.18 CONTRACT PRICING

For information on the pricing method in effect at the specific fueling location, please see the **Bid Schedule**. 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.

Note: 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.

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

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.

BLENDED FUELS:

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:

Standard Delivery Price Structure: 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

Remote Delivery Price Structure: 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

SEC. 2.19 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 the repairs or replacements 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 Office of Procurement and Property Management, 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 of Alaska to take corrective action and charge the contractor for all related costs.

SEC. 2.20 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 email address: doa.dgs.purchasing.statewide@alaska.gov

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.

SEC. 2.21 MANDATORY REPORTING

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 OPPM contracting officer to the contractor in a Microsoft Excel format at the beginning of the contract. 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). The report must be submitted to the following email addresses

DOA.DSS.VENDORREPORT@ALASKA.GOV and JACOB.NICHOLS@ALASKA.GOV

The Contractor will include the contract name and number and quarter number for which they are reporting in the subject line of the email. Failure to provide volume reports as required may result in contract default action. See Attachment A for a sample report.

<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 via email to the procurement officer.

SECTION 3. CONTRACT INVOICING AND PAYMENTS

SEC. 3.01 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 “keep full” 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.

SEC. 3.02 BILLING INSTRUCTIONS

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

1. Contract number
2. Delivery location
3. Delivery ticket number
4. Date of order (if an “as-needed” order)
5. Date of delivery
6. Type of fuel delivered
7. Quantity delivered
8. Any applicable taxes
9. Type, quantity, and price for any additives
10. Total extended price
11. OPIS Report showing previous days daily rack rate used for invoice (not applicable for remote locations or for AvGas deliveries)

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. Ensure the OPIS Daily Rack Rate report accompanies all invoices (except for remote locations and AvGas deliveries).

Invoices must be billed to the ordering agency's address shown on the individual Purchase Order, Contract Award or Delivery Order. The state will make payment after it receives the goods or services and the invoice. Questions concerning payment must be addressed to the ordering agency.

SEC. 3.03 ADMINISTRATIVE FEE

Contractors shall provide a quarterly administrative fee of 1.5% to the State of Alaska. Contractors shall submit a check or pay via ACH electronic funds transfer, payable to the State of Alaska, Department of Administration, Office of Procurement and Property Management, for the calculated amount equal to 1.5% of all contract sales for the quarterly period.

PAYING BY CHECK:

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
Office of Procurement and Property Management
PO Box 110214
Juneau, AK 99811-0214
ATTN: Purchasing Section

PAYING BY ACH:

If paying electronically, please follow the State of Alaska Vendor Fees ACH Transfer Instructions below:

1. Prepare the amount due.
2. Notify the State of Alaska, Treasury Division by 2:00 p.m. (Alaska Time) the business day PRIOR to the ACH settlement date, by email to dor.trs.cashmgmt@alaska.gov. The notice must include the **payor name**, **payment amount**, **settlement date**, **AND that the payment is for SUB 0036**.
3. Instruct your bank to initiate an ACH transfer of funds to be received and credited to the State of Alaska:
State Street Bank & Trust Company
State Street Financial Center
1776 Heritage Dr.
North Quincy, MA 02171
ABA # 011000028
State of Alaska – AY01
General Investment Fund
Account # 006571890036
4. Confirmation is available by calling the Alaska Department of Revenue, Treasury Division at (907) 465-2360 or by emailing dor.trs.cashmgmt@alaska.gov.
5. Do not send any other State of Alaska payment types to this account.

The administrative fee shall be added to the total fuel cost of each sale under the contract. For example, if the contractor delivers \$10,000 worth of fuel to an agency, 1.5% shall be added to that cost for a new total fuel cost of \$10,150 (1.5% of \$10,000 + \$10,000) and the administrative fee amount due to the state would be \$150. The state's preference is to include the administrative fee in the overall invoice total but the administrative fee may be added as a separate line item on an invoice if necessary.

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

SEC. 3.04 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.

Any single contract payments of \$1 million or higher must be accepted by the contractor via Electronic Funds Transfer (EFT).

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, except for the credit card surcharge as outlined in the next paragraph.

CREDIT CARD SURCHARGE:

Individual purchases made with a credit card which exceed \$10,000 are subject to a surcharge. If applied by the contractor, the surcharge shall not exceed the actual amount percentage amount the contractor 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 \$2.95 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.

SECTION 4. EVALUATION AND CONTRACTOR SELECTION

SEC. 4.01 EVALUATION OF BIDS

After bid opening, the procurement officer will evaluate the bids for responsiveness. Bids deemed non-responsive will be eliminated from further consideration. An evaluation may not be based on discrimination due the race, religion, color, national origin, sex, age, marital status, pregnancy, parenthood, disability, or political affiliation of the bidder.

SEC. 4.02 APPLICATION OF PREFERENCES

Certain preferences apply to all state contracts, regardless of their dollar value. The Alaska Bidder and Alaska Veteran preferences are the most common preferences involved in the ITB process. Additional preferences that may apply to this procurement are listed below. Guides that contain excerpts from the relevant statutes and codes, explain when the preferences apply and provide examples of how to calculate the preferences are available at the following website: <http://doa.alaska.gov/dgs/pdf/pref1.pdf>

- Alaska Products Preference - AS 36.30.332
- Recycled Products Preference - AS 36.30.337
- Local Agriculture and Fisheries Products Preference - AS 36.15.050
- Employment Program Preference - AS 36.30.321(b)
- Alaskans with Disabilities Preference - AS 36.30.321(d)

The Division of Vocational Rehabilitation in the Department of Labor and Workforce Development keeps a list of qualified employment programs and individuals who qualify as persons with a disability. As evidence of a business' or an individual's right to the Employment Program or Alaskans with Disabilities preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of these preferences, a business or individual must be on the appropriate Division of Vocational Rehabilitation list prior to the time designated for receipt of proposals. Bidders must attach a copy of their certification letter to the proposal. **A bidder's failure to provide this certification letter with their proposal will cause the state to disallow the preference.**

SEC. 4.03 ALASKA BIDDER PREFERENCE

An Alaska Bidder Preference of 5% will be applied to the total bid price. The preference will be given to a bidder who:

- 1) Holds a current Alaska business license prior to the deadline for receipt of bids;
- 2) Submits a bid 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 Certification Form:

In order to receive the Alaska Bidder Preference, the bid must include the Alaska Bidder Preference Certification Form attached to this ITB. A bidder does not need to complete the Alaska Veteran Preference questions on the form if not claiming the Alaska Veteran Preference. A bidder's failure to provide this completed form with their bid will cause the state to disallow the preference.

SEC. 4.04 ALASKA VETERAN PREFERENCE

An Alaska Veteran Preference of 5%, not to exceed \$5,000, will be applied to the total bid price. The preference will be given to a bidder who qualifies under AS 36.30.990(2) as an Alaska Bidder and is a:

- Sole proprietorship owned by an Alaska veteran;
- Partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
- Limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
- Corporation that is wholly owned by individuals, and a majority of the individuals are Alaska veterans.

In accordance with AS 36.30.321(i), 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 government, or the general public.

Alaska Veteran Preference Certification:

In order to receive the Alaska Veteran Preference, the bid must include the Alaska Bidder Preference Certification Form attached to this ITB. A bidder's failure to provide this completed form with their bid will cause the state to disallow the preference.

SEC. 4.05 ALASKA PRODUCT PREFERENCE

A bidder that designates the use of an Alaska Product which meets the requirements of the ITB specifications and is designated as a Class I, Class II or Class III Alaska Product by the Department of Community & Economic Development (DCCED) may receive a preference in the bid evaluation in accordance with AS 36.30.332 and 3 AAC 92.010.

To qualify for the preference, the product must have received certification from DCCED, be listed in the current published edition of the Alaska Products Preference List, and the bidder must provide the qualified product on a 100% basis. There are no provisions under Alaska Statutes or Regulations that allow for a 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 3% preference.
- Class II products receive a 5% preference.
- Class III products receive a 7% preference.

When the bids are evaluated, the preference percentage will be deducted from the product 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/dcra/AlaskaProductPreferenceProgram.aspx>

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.

The currently approved brands are:

Heating Oil: Petro Star, Tesoro
ULSD: Petro Star, Tesoro
Unleaded: Tesoro
Jet A: Petro Star, Tesoro
AvGas 100LL: None

“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.

SEC. 4.06 EMPLOYMENT PROGRAM PREFERENCE

If a bidder qualifies for the Alaska Bidder Preference and is offering goods or services through an employment program as defined under AS 36.30.990(12), an Employment Program Preference of 15% will be applied to the total bid price.

In accordance with AS 36.30.321(i), 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 government, or the general public.

SEC. 4.07 ALASKANS WITH DISABILITIES PREFERENCE

If a bidder qualifies for the Alaska Bidder Preference and is a qualifying entity as defined in AS 36.30.321(d), an Alaskans with Disabilities Preference of 10% will be applied to the total bid price.

In accordance with AS 36.30.321(i), 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 government, or the general public.

SEC. 4.08 PREFERENCE QUALIFICATION LETTER

Regarding the Employment Program Preference and the Alaskans with Disabilities Preference, the Division of Vocational Rehabilitation in the Department of Labor and Workforce Development maintains lists companies who qualify for those preferences. As evidence of a company's right to the preferences, the Division of Vocational Rehabilitation will issue a certification letter. To take advantage of the preferences, a bidder 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.

SEC. 4.09 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.

SEC. 4.10 METHOD OF AWARD

Award will be made by line item to the lowest responsive and responsible bidder.

Due to the differing price structures based on delivery location, the following methods of award shall be used depending on if the location receives "Standard Delivery" or "Remote Delivery". The State does not guarantee any minimum or maximum purchase. Orders will be issued throughout the contract period as required.

Electronic Bid Schedule:

Due to the large number of locations and fuel types, an electronic bid schedule in Microsoft Excel format has been developed. It is a separate document posted along with this ITB on the state's Online Public Notice Website.

The Bid Schedule must be saved and attached to the email in PDF format, email must include the signature page of this ITB. Failure to submit the Bid Schedule along with the signed signature page of the ITB will cause the state to consider the bid non-responsive and reject it.

There are two bid worksheets, on separate tabs, one labeled "Standard" and the other "Remote" in the Excel file titled **ITB 2022-0200-4928 – Bid Schedule (Land)**. Bidders only need to fill in the gray sections on each Bid Schedule worksheets for the locations and lots they are bidding on. Formulas have been built in and will auto-fill the remaining fields. The following instructions apply to the gray fields on the Bid Schedule:

The evaluation prices on the Bid Schedule are taken from the closing OPIS Newsletter and OPIS West Coast Spot Market Report published on September 20, 2021.

Standard Delivery

- **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 offering a fuel that qualifies for the Alaska Product Preference, the bidder does not need to indicate a brand of fuel.
- **AK 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 that 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 fee may be entered to four decimal points, for example (\$ 0.1256).

- **OPIS Location:** From the drop down menu, select the Anchorage, Fairbanks, or Seattle OPIS price location. Once an OPIS price location is selected, the Bid Schedule will automatically enter the OPIS Evaluation Price in the next column.

Standard Delivery: There are lots representing locations under the Standard Delivery Price Structure. Each lot corresponds to a community that has a requirement for one or more types of fuel. Each line item represents a specific type of fuel that is required within the lot or community. In many cases, fuel in a community is delivered to more than one facility.

Award will be made to the lowest responsive and responsible bidder for each line item within each lot. 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. The following evaluation example is based on the OPIS Daily gross rack average Standard Delivery Price Structure as described in this ITB and is hypothetical and for illustration purposes only:

<u>OPIS Price Location</u>	<u>Fuel Type</u>	<u>Cost per Gallon</u>
Anchorage OPIS	No. 2 ULSD	\$3.749
Fairbanks OPIS	No. 2 ULSD	\$3.729
Seattle OPIS	No. 2 ULSD	\$3.459

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

Bidder One:

- Selects the Anchorage OPIS with a price of \$3.749 per gallon
- Submits a Mgt of plus (+) .1025 cents
- Certifies that they will provide 100% Class III product

Bidder Two:

- Selects the Seattle OPIS with a price of \$3.459 per gallon
- Submits a Mgt of plus (+) .0825 cents
- Indicates they will not provide any Class III products and as such, they do not qualify for the Alaska Product Preference.

Bidder Three:

- Selects the Fairbanks OPIS with a price of \$3.729 per gallon
- Submits a Mgt of plus (+) .0825 cents
- Certifies that they will provide 100% Class III product

Based on the above information, the bidders would be evaluated as follows:

Bidder One

<u>Mgt</u>		<u>OPIS</u>		<u>TFC</u>		<u>Qty</u>		<u>Bid</u>		<u>AK Product</u>		<u>AK Bidder</u>		<u>Final Evaluation</u>
<u>+ or -</u>								<u>Amount</u>		<u>Pref. 7 %</u>		<u>Pref. 5%</u>		<u>Bid Amount</u>
\$.1025	+	\$3.749	=	\$3.8515	x	20,000	=	\$77,030.00	-	\$5,248.60	-	\$3,581.50	=	\$67,929.90

Bidder Two

<u>Mgt</u> + or -		<u>OPIS</u>		<u>TFC</u>		<u>Qty</u>		<u>Bid Amount</u>		<u>AK Product</u> Pref. 7 %		<u>AK Bidder</u> Pref. 5%		<u>Final Evaluation Bid Amount</u>
\$.0825	+	\$3.459	=	\$3.5415	x	20,000	=	\$70,830.00	-	\$0.00	-	\$3,541.50	=	\$67,288.50

Bidder Three

<u>Mgt</u> + or -		<u>OPIS</u>		<u>TFC</u>		<u>Qty</u>		<u>Bid Amount</u>		<u>AK Product</u> Pref. 7 %		<u>AK Bidder</u> Pref. 5%		<u>Final Evaluation Bid Amount</u>
\$.0825	+	\$3.729	=	\$3.8115	x	20,000	=	\$76,230.00	-	\$5,220.60	-	\$3,811.50	=	\$67,197.90

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 because it is not an Alaska product.

In this example, Bidder Three would receive the award since their total bid (\$67,197.90), after application of the applicable preferences, was lower than Bidder One (\$67,929.90), and Bidder Two (\$67,288.50).

Contract sales for fuel deliveries in locations listed as “Standard Delivery” would be calculated as follows: **The Anchorage OPIS Daily 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 amount.**

Remote Delivery:

- **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 offering a fuel that qualifies for the Alaska Product Preference, the bidder does not need to indicate a brand of fuel.
- **AK Product Preference:** If you are offering a fuel that qualifies for the Alaska Product Preference, enter “Yes” from the drop down menu.
- **Distribution Point:** Enter a distribution point for each location. A distribution point is a location where a bidder has the ability to store bulk fuel for delivery within that location as well as locations identified as non-distribution points. For example: The bidder stores fuel in Bethel for delivery to Bethel, Atmauluak and Akiak; list Bethel as the distribution point for Bethel, Atmauluak and Akiak.
- **Current Retail Price (CRP):** Enter the CRP at the distribution point location, less taxes, offered in response to this ITB. The CRP offered in each location shall remain firm for the first 45 days of the contract term. The CRP may be entered up to four decimal points, for example (\$3.4268).
- **Discount:** Enter the per gallon discount amount off the current retail price you are offering. The discount amount must be a negative number and may be entered up to four decimal points, for example (-\$.01589). The negative number will display in red font.

- **Delivery Surcharge:** Enter the per gallon delivery surcharge you are offering in response to this ITB. If you are offering a negative amount, you must enter a negative number (-\$0.0125). Negative numbers will display in red font. The delivery surcharge may be entered up to four decimal points, for example (\$0.2569). **NOTE: A delivery surcharge is not allowed for locations designated as distribution points. For example: If Bethel is listed as a distribution point, no delivery surcharge is allowed for deliveries in Bethel.**

Remote Delivery. There are lots representing locations under the Remote Delivery Price Structure. Each lot corresponds to a community that has a requirement for one or more types of fuel. Each line item represents a specific type of fuel that is required within the lot or community. In many cases, fuel in a community is delivered to more than one facility.

Award will be made by lot to the lowest responsive and responsible bidder for each lot. While a bidder does not need to bid on all lots, a **failure to offer a current retail price for all lines within a lot will result in the bid for that lot being determined non-responsive.**

The following evaluation examples are based on the Remote Delivery Price Structure as described in this ITB and are hypothetical and for illustration purposes only:

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

Bidder One:

- Certifies that they will provide 100% Class III product for heating oil and unleaded
- Identifies location ABC as the distribution point for location XYZ
- Submits a delivery surcharge of plus (+) .1990 cents for heating oil
- Submits a delivery surcharge of plus (+) .1790 cents for unleaded
- Offers a current retail price for heating oil in location XYZ of \$ 3.4690 (same price as location ABC)
- Offers a current retail price for unleaded in location XYZ of \$3.2990 (same price as location ABC)

Bidder Two:

- Indicates that they will not provide any Class III products; does not qualify for the Alaska Product Preference.
- Identifies location ABC as the distribution point for location XYZ
- Submits a delivery surcharge of plus (+) .1190 cents for heating oil
- Submits a delivery surcharge of plus (+) .1490 cents for unleaded
- Offers a current retail price for heating oil in location XYZ of \$3.3990 (same price as location ABC)
- Offers a current retail price for unleaded in location XYZ of 3.1990 (same price as location ABC)

Bidder Three:

- Certifies that they will provide 100% Class III product for heating oil and unleaded
- Identifies location ABC as the distribution point for location XYZ
- Submits a delivery surcharge of plus (+) .1490 cents for heating oil
- Submits a delivery surcharge of plus (+) .1090 cents for unleaded
- Offers a current retail price for heating oil in location XYX of \$3.4990 (same price as location ABC)
- Offers a current retail price for unleaded in location XYZ of \$3.3590 (same price as location ABC)

Based on the above information, the bidders would be evaluated as follows:

Bidder One

Lot 1	<u>Location</u>	<u>Fuel Type</u>	<u>Distribution Point</u>	<u>Delivery Surcharge</u>		<u>Current Retail Price</u>		<u>TFC</u>		<u>Qty</u>	<u>Bid Amount</u>		<u>AK Product Pref. 7 %</u>		<u>AK Bidder Pref. 5%</u>		<u>Final Evaluation Bid Amount</u>
Line 1	XYZ	Heating Oil	ABC	\$.1990	+	\$3.4690	=	\$3.6680	x	20,000	\$73,360	-	\$4,856.60	-	\$3,668.00	=	\$64,835.40
Line 2	XYZ	Unleaded	ABC	\$.1790	+	\$3.2990	=	\$3.4780	x	20,000	\$69,560	-	\$4,618.60	-	\$3,478.00	=	\$61,463.40

Bidder Two

Lot 1	<u>Location</u>	<u>Fuel Type</u>	<u>Distribution Point</u>	<u>Delivery Surcharge</u>		<u>Current Retail Price</u>		<u>TFC</u>		<u>Qty</u>	<u>Bid Amount</u>		<u>AK Product Pref. 7 %</u>		<u>AK Bidder Pref. 5%</u>		<u>Final Evaluation Bid Amount</u>
Line 1	XYZ	Heating Oil	ABC	\$.1190	+	\$3.3990	=	\$3.5180	x	20,000	\$70,360	-	\$0.00	-	\$3,518.00	=	\$66,842.00
Line 2	XYZ	Unleaded	ABC	\$.1490	+	\$3.1990	=	\$3.3480	x	20,000	\$66,960	-	\$0.00	-	\$3,348.00	=	\$63,612.00

Bidder Three

Lot 1	<u>Location</u>	<u>Fuel Type</u>	<u>Distribution Point</u>	<u>Delivery Surcharge</u>		<u>Current Retail Price</u>		<u>TFC</u>		<u>Qty</u>	<u>Bid Amount</u>		<u>AK Product Pref. 7 %</u>		<u>AK Bidder Pref. 5%</u>		<u>Final Evaluation Bid Amount</u>
Line 1	XYZ	Heating Oil	ABC	\$.1490	+	\$3.4990	=	\$3.6480	x	20,000	\$72,960	-	\$4,898.60	-	\$3,648.00	=	\$64,413.40
Line 2	XYZ	Unleaded	ABC	\$.1090	+	\$3.3590	=	\$3.4680	x	20,000	\$69,360	-	\$4,702.60	-	\$3,468.00	=	\$61,189.40

The Alaska Product Preference is calculated by taking the current retail price offered times the quantity, minus 7%. The preference is not applied to the delivery surcharge because it is not an Alaska product.

In this example, Bidder Three would receive the award since their total bid (\$125,602.80), after application of the applicable preferences, was lower than Bidder One (\$126,298.80) and Bidder Two (\$130,454.00).

*Note: This ITB allows the bidder to offer a discount; for the purposes of the above examples, the discount is not used because it's assumed the bidder did not offer a discount.

Contract sales for fuel deliveries listed as "Remote Delivery" would be calculated as follows: **The total of the current retail price, minus the discount, plus the delivery surcharge (if applicable), shall equal the TFC. The TFC times the number of gallons shall equal the total invoice cost.**

SEC. 4.11 NOTICE OF INTENT TO AWARD

After the responses to this ITB have been opened and evaluated, a tabulation of the bids will be prepared. This tabulation, called a Notice of Intent to Award, serves two purposes. It lists the name of each company or person that offered a bid and the price they bid. It also provides notice of the state's intent to award a contract(s) to the bidder(s) indicated. A copy of the Notice of Intent will be mailed to each company or person who responded to the ITB. Bidders identified as the apparent low responsive bidders are instructed not to proceed until a Purchase Order, Contract Award, Lease, or some other form of written notice is given by the procurement officer. A company or person who proceeds prior to receiving a Purchase Order, Contract Award, Lease, or some other form of written notice from the procurement officer does so without a contract and at their own risk.

SECTION 5. GENERAL PROCESS AND LEGAL INFORMATION

SEC. 5.01 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 Preference and Alaskans with Disabilities Preference, a bidder must hold a valid Alaska business license prior to the deadline for receipt of bids. Bidders should contact the **Department of Commerce, Community and Economic Development, Division of Corporations, Business, and Professional Licensing, PO Box 110806, Juneau, Alaska 99811-0806**, for information on these licenses. Acceptable evidence that the bidder possesses a valid Alaska business license may consist of any one of the following:

- copy of an Alaska business license;
- certification on the bid that the bidder has a valid Alaska business license and has included the license number in the bid;
- a canceled check for the Alaska business license fee;
- a copy of the Alaska business license application with a receipt stamp from the state's occupational licensing office; or
- a sworn and notarized statement 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.

Prior the deadline for receipt of bids, all bidders must hold any other necessary applicable professional licenses required by Alaska Statute.

SEC. 5.02 AUTHORITY

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

SEC. 5.03 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; be liable for all required insurance, licenses, permits and bonds; and pay all applicable federal, state, and borough taxes.

SEC. 5.04 SUITABLE MATERIALS, ETC.

Unless otherwise specified in this ITB, 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.

SEC. 5.05 SPECIFICATIONS

Unless otherwise specified in this ITB, product brand names or model numbers specified in this ITB are examples of the type and quality of product required, and are 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.

SEC. 5.06 CONTRACTOR SITE INSPECTION

The state may conduct on-site visits to evaluate the bidder's capacity to perform the contract. A bidder must agree, at risk of being found non-responsive and having its bid rejected, to provide the state reasonable access to relevant portions of its work sites. Individuals designated by the procurement officer at the state's expense will make site inspection.

SEC. 5.07 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. Unless otherwise specified in 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.

SEC. 5.08 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.

SEC. 5.09 RIGHT OF REJECTION

Bidders must comply with all of the terms of the ITB, the State Procurement Code (AS 36.30), and all applicable local, state, and federal laws, codes, and regulations. The procurement 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 procurement officer may determine the bid to be a non-responsive counter-offer and the bid may be rejected.

Minor informalities that:

- do not affect responsiveness;
- are merely a matter of form or format;

- do not change the relative standing or otherwise prejudice other offers;
- do not change the meaning or scope of the RFP;
- are trivial, negligible, or immaterial in nature;
- do not reflect a material change in the work; or
- do not constitute a substantial reservation against a requirement or provision;

may be waived by the procurement officer.

The state reserves the right to refrain from making an award if it determines that to be in its best interest.

A bid from a debarred or suspended bidder shall be rejected.

SEC. 5.10 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

The state will not pay any cost associated with the preparation, submittal, presentation, or evaluation of any bid.

SEC. 5.11 DISCLOSURE OF BID CONTENTS

All bid prices become public information at the bid opening. After the deadline for receipt of bids, all other bid material submitted become the property of the State of Alaska and may be returned only at the state's option. AS 40.25.110 requires public records to be open to reasonable inspection. All other bid information will be held in confidence during the evaluation process and prior to the time a Notice of Intent to Award is issued. Thereafter, bids will become public information.

The Office of Procurement and Property Management (OPPM), or their designee recognizes that some information an offeror submits might be confidential under the United States or the State of Alaska Constitution, a federal statute or regulation, or a State of Alaska statute: i.e., might be confidential business information (CBI). *See, e.g.,* article 1, section 1 of the Alaska Constitution; AS 45.50.910 – 45.50.945 (the Alaska Uniform Trade Secrets Act); *DNR v. Arctic Slope Regional Corp.*, 834 P.2d 134, 137-39 (Alaska 1991). For OPPM or their designee to treat information an offeror submits with its proposal as CBI, the offeror must do the following when submitting their proposal: (1) mark the specific information it asserts is CBI; and (2) for each discrete set of such information, identify, in writing, each authority the offeror asserts make the information CBI. If the offeror does not do these things, the information will become public after the Notice of Intent to Award is issued. If the offeror does these things, OPPM or their designee will evaluate the offeror's assertion upon receiving a request for the information. If OPPM or their designee reject the assertion, they will, to the extent permitted by federal and State of Alaska law, undertake reasonable measures to give the offeror an opportunity to object to the disclosure of the information.

SEC. 5.12 ASSIGNMENTS

Per 2 AAC 12.480, the contractor may not transfer or assign any portion of the contract without prior written approval from the procurement officer. Bids that are conditioned upon the state's approval of an assignment will be rejected as non-responsive.

SEC. 5.13 FORCE MAJEURE (IMPOSSIBILITY TO PERFORM)

The parties to a contract resulting from this ITB are not liable for the consequences of any failure to perform, or default in performing, any of its obligations under the contract, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party.

For the purposes of this ITB, 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.

SEC. 5.14 DEFAULT

In case of default by the contractor, for any reason whatsoever, the state may procurement 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.

SEC. 5.15 DISPUTES

If the contractor has a claim arising in connection with the contract that it cannot resolve with the state by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620 – AS 36.30.632.

SEC. 5.16 SEVERABILITY

If any provision of the contract or agreement is found to be invalid or 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.

SEC. 5.17 CONTRACT CANCELLATION

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

SEC. 5.18 GOVERNING LAW; FORUM SELECTION

A contract resulting from this ITB is governed by the laws of the State of Alaska. To the extent not otherwise governed by Section 5.15 of this ITB, any claim concerning the contract shall be brought only in the Superior Court of the State of Alaska and not elsewhere.

SEC. 5.19 SOLICITATION ADVERTISING

Public notice has been provided in accordance with 2 AAC 12.220.

SEC. 5.20 QUALIFIED BIDDERS

Per 2 AAC 12.875, unless provided for otherwise in the ITB, to qualify as a bidder for award of a contract issued under AS 36.30, the bidder must:

- 1) Add value in the contract by actually performing, controlling, managing, or supervising the services to be provided; or
- 2) Be in the business of selling and have actually sold on a regular basis the supplies that are the subject of the ITB.

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

SEC. 5.21 FEDERALLY IMPOSED TARIFFS

Changes in price (increase or decrease) resulting directly from a new or updated federal tariff, excise tax, or duty, imposed after contract award may be adjusted during the contract period or before delivery into the United States via contract amendment.

- **Notification of Changes:** The contractor must promptly notify the procurement officer in writing of any new, increased, or decreased federal excise tax or duty that may result in either an increase or decrease in the contract price and shall take appropriate action as directed by the procurement officer.
- **After-imposed or Increased Taxes and Duties:** Any federal excise tax or duty for goods or services covered by this contract that was exempted or excluded on the contract award date but later imposed on the contractor during the contract period, as the result of legislative, judicial, or administrative action may result in a price increase provided:
 - a) The tax or duty takes effect after the contract award date and isn't otherwise addressed by the contract;
 - b) The contractor warrants, in writing, that no amount of the newly imposed federal excise tax or duty or rate increase was included in the contract price, as a contingency or otherwise.
- **After-relieved or Decreased Taxes and Duties:** The contract price shall be decreased by the amount of any decrease in federal excise tax or duty for goods or services under the contract, except social security or other employment [taxes](#), that the contractor is required to pay or bear, or does not obtain a refund of, through the contractor's fault, negligence, or failure to follow instructions of the procurement officer.
- **State's Ability to Make Changes:** The state reserves the right to request verification of federal excise tax or duty amounts on goods or services covered by this contract and increase or decrease the contract price accordingly.
- **Price Change Threshold:** No adjustment shall be made in the contract price under this clause unless the amount of the adjustment exceeds \$250.

SEC. 5.22 PROTEST

AS 36.30.560 provides that an interested party may protest the content of the ITB.

An interested party is defined in 2 AAC 12.990(a) (7) as "an actual or prospective bidder or offeror whose economic interest might be affected substantially and directly by the issuance of a contract solicitation, the award of a contract, or the failure to award a contract."

If an interested party wishes to protest the content of a solicitation, the protest must be received, in writing, by the procurement officer at least ten days prior to the deadline for receipt of bids.

AS 36.30.560 also provides that an interested party may protest the award of a contract or the proposed award of a contract.

If a bidder wishes to protest the award of a contract or the proposed award of a contract, the protest must be received, in writing, by the procurement officer within ten days after the date the Notice of Intent to Award the contract is issued.

A protester must have submitted a bid in order to have sufficient standing to protest the proposed award of a contract. Protests must include the following information:

- the name, address, and telephone number of the protester;
- the signature of the protester or the protester's representative;
- identification of the contracting agency and the solicitation or contract at issue;
- a detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

Protests filed by telex or telegram are not acceptable because they do not contain a signature. Fax copies containing a signature are acceptable.

The procurement officer will issue a written response to the protest. The response will set out the procurement officer's decision and contain the basis of the decision within the statutory time limit in AS 36.30.580. A copy of the decision will be furnished to the protester by certified mail, fax or another method that provides evidence of receipt.

All bidders will be notified of any protest. The review of protests, decisions of the procurement officer, appeals, and hearings, will be conducted in accordance with the State Procurement Code (AS 36.30), Article 8 "Legal and Contractual Remedies."

SECTION 6. ATTACHMENTS

SEC. 6.01 ATTACHMENT A (SEE NEXT PAGE)

ATTACHMENT A:

Contractor Name

Address

City, State, Zip

Contact Name**Contact Phone****Contact Fax****Contract#**

Instructions:

1: From the "Drop Down" menu in column D, select the reporting period

2: In column E, enter the total number of gallons delivered during the reporting period

3: In column F, enter the total amount invoiced during the reporting period

4: Column G will fill automatically based on the entries in Columns D and E

5: In Column H enter the retail price at the end of the reporting period for a fuel purchase of 500 gallons

Fueling Location	Fuel Type	Reporting Period	Number of Gallons delivered during the period	Amount invoiced during the period	Average cost per gallon	Current Retail Price at time report is completed and submitted
Anchorage	DF/HO	7/1/16 – 9/30/16	2550	9050.21	3.5491	3.2685
Anchorage	ULSD 15ppm	7/1/16 – 9/30/16	850	2649.96	3.1176	3.0231
Anchorage	Unleaded					
Haines	DF/HO					
Haines	ULSD 15ppm					
Sitka	ULSD 15ppm					
Sitka	DF/HO					
Glennallen	DF/HO					
Glennallen	ULSD					
Northway	DF/HO					
Palmer	DF/HO					
Palmer	Unleaded					