

STATE OF ALASKA

Department of Administration
Office of Procurement and Property
Management (OPPM)



STATEWIDE LAND FUELS

ITB 2022-0200-4928

Amendment #3

October 13, 2021

This amendment is being issued to answer questions about the ITB and Bid Schedule.

IMPORTANT NOTE TO BIDDERS: This Amendment is being issued for informational purposes only. This document does not need to be returned with your bid.

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Questions Submitted by Potential Bidders, and Answers From The State of Alaska:

Question 1: *(In regards to the Bid Schedule).* \$2.0113 OPIS prices listed are the Seattle OPIS average for Jet A. Is it safe to assume that contractual pricing will be based off the OPIS Jet A daily average for both heating oil and jet?

Answer: *The contractual pricing used during the performance of the contract will be the OPIS price for the location of any awarded line item. For example, if you bid on Anchorage Heating Oil (Lot 1, Line 1) you will be locked into the OPIS price for type of fuel, in this case “heating oil” and not Jet A. Although the prices are the same, the fuel type and location are what a bidder is being contractually held to.*

Question 2: *(In regards to the Bid Schedule).* Should \$2.4715 listed for Jet A Fairbanks actually be \$2.4725? \$2.4725 is the Fairbanks OPIS average for Jet A. Is it safe to assume that contractual pricing will be based off the OPIS Jet A daily average for both heating oil and jet?

Answer: *Yes, the Jet A price for Fairbanks should have been \$2.4725, and has been updated in Amendment #2 of this ITB. Yes, the contractual price will be based on the average rack pricing for both OPIS Jet A and heating oil.*

Question 3: \$2.3100 is the “No1-High Sulfur” OPIS Anchorage posted price. Is the state willing to use the same methodology and price heating oil and jet off of the Jet A average for Anchorage? There are multiple suppliers posting daily Jet prices so it is a better example of the competitive landscape.

Answer: *To correct any potential issues with pricing of Jet A and Heating Oil, the decision was made to ensure that both Jet A and Heating Oil OPIS pricing is the same for Anchorage, and all other locations. This fix was implemented in Amendment #2 and a new Bid Schedule.*

Question 4: Are the estimated volumes on the Bid Schedule for the term of the contract or does it represent an annual volume?

Answer: *The estimated volumes come from last year’s volume reports, and represent only 1 year of estimates. The estimates are needed to calculate bids, and give any potential bidder and idea of quantity at a location.*

Question 5: Please provide tank sizes and contact information at all delivery sites.

Answer: *The State of Alaska does not have that information, unfortunately. Since this is a Statewide contract, we put the framework in place to allow all entities within Alaska to order from. The intent of the contract is to allow for maximum usage at all facilities eligible within Alaska. Specific locations within a service area will need to coordinate between the company awarded and the customer who needs the fuel. Essentially, when a customer needs fuel they would contact the awarded vendor for their location to work out the details.*

Question 6: While not mandatory, we would like to suggest a start date of the 1st of the month after contract award to allow sufficient time for agency notification and required changes in the back office and operationally.

Answer: *The start date for this contract award will now fall on the 1st of the month, tentatively for December 1, 2021. There will also be a letter issued cancelling the current month-to-month contract 30 days prior to the new contract start date.*

Question 7: Please provide clarity on 3.02.11. We receive OPIS pricing multiple times a day and send Price Notifications to relevant contract customers. Will this satisfy the requirements in Sec. 3.02.11? If not, will a hard copy of the OPIS report be necessary if the Agency subscribes to the OPIS publication?

Answer: *The intent is to provide the actual OPIS value you used to invoice the customer. What we are looking for is a method of auditing the invoices to ensure all billing is based on current OPIS prices. Providing an OPIS report that matches the invoice is the main request from SEC 3.02.11.*

Question 8: Should we assume that the index values on 9/20 provided in the Excel bid worksheet are the OPIS values of our supply, regardless of the location?

Answer: *This question has been answered in Amendment #2. Two additional locations were added to allow for bidding from LA and PNW OPIS price locations.*

Question 9: The term Heating Oil, as used in the ITB & Bid Schedule has several meanings. In our world, Heating Oil or Heating Fuel #1 is Jet A rebranded down to Heating Fuel #1. Technically it is Jet Fuel but being used as Heating Oil. Thus this product would have a price basis of OPIS Jet or OPIS Pacific Northwest Spot Jet. Our experience with the SOA Lands contract from 2017 to now, especially in Southeast Alaska has been that many SOA facilities use the term Heating Oil to mean either Heating Fuel #1 (rebranded Jet) or in many instances Heating Fuel #2 (ULS Diesel No. 2 sold as Heating Fuel #2). The issue we have is the price basis or OPIS Price for Jet Fuel versus ULS Diesel No. 2 are different. Is it possible for SOA to further define the Heating Oil term used in your ITB & Bid Schedule to only mean or only refer to Heating Fuel #1 (rebranded Jet Fuel) and not include Heating Fuel #2?

Answer: *These questions and concerns have been answered in Amendment #2, with a new Bid Schedule that allows for two extra OPIS market locations in LA and PNW to cover all forms of heating oil.*

Question 10: Would it be possible to get actual delivery addresses for specific locations?

Answer: *Same answer as Question 5. The State of Alaska does not have that information, unfortunately. Since this is a Statewide contract, we put the framework in place to allow all entities within Alaska to order from. The intent of the contract is to allow for maximum usage at all facilities eligible within Alaska. Specific locations within a service area will need to coordinate between the company awarded and the customer who needs the fuel. Essentially, when a customer needs fuel they would contact the awarded vendor for their location to work out the details.*

Question 11: Under the Alaska Products Preference Program, SEC. 4.05, the currently approved brands are Petro Star and Tesoro. Tesoro was bought out by Marathon, therefore should this be changed to Marathon for purposes of bidding?

Answer: *Yes, all references to Tesoro are synonymous with Marathon. Any bidder who uses either Tesoro or Marathon will be granted the Alaska Product Preference, if they qualify. Currently, the Alaska Product Preference program lists the company names as Tesoro Alaska and Petro Star.*
