

CITY AND BOROUGH OF WRANGELL, ALASKA
FUEL BIDS

ADDENDUM TO THE CONTRACT

Addendum No: 2

Current Bid Opening Date:
February 18, 2014 at 2:00 PM

Pages This Addendum: Five(5)

Previous Addenda: One(1)

Previous Bid Opening Date:
February 5, 2014 at 2:00 PM

To: All Bidders of Record

January 31, 2014

The purpose of this addendum is to provide clarifications and corrections for items identified in the January 9, 2014 pre-bid meeting.

The contract documents are modified as indicated herein. All other terms and conditions remain unchanged. Bidders are required to acknowledge this addendum on the Bid Proposal. Make the following changes to the contract documents:

INVITATION TO BID

1. Page 4 of 13 under "CONTRACT INTENT", replace the list of fuel types with the following:

#1 Heating Oil
#2 Heating Oil
Ultra Low Sulfur Diesel #1
Ultra Low Sulfur Diesel #2
Clear Regular Unleaded Gasoline
If a winter blend is used, prices will be invoiced for the two fuels individually then added together.

2. Page 4 of 13 under "CONTRACT PERIOD": The length of the contract will be from March 1st, 2014 through February 29th, 2016.
3. Page 8 of 13 under "RUN-OUT PENALTY", leave the current language and add the following:

In several locations the fuel demand can vary drastically depending on factors beyond the VENDOR's control. In these locations, the run-out penalty will only be in effect if the VENDOR has been pre-notified of a high demand condition. These locations are as follows:

HIGH SCHOOL
NOLAN CENTER
PUBLIC SAFETY BUILDING
ELECTRICAL GENERATION PLANT
PUBLIC WORKS (275gal Heating Fuel Tank)

4. Pages 10 and 11 of 13, replace all language between “**Standard Delivery Price Structure:**” and “**Invoice Price Structure Example**” with the following:

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

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

Circulation: (888) 301-2645
<http://www.opis.net.com>

- Bidders are required to use Seattle OPIS as a price location for each Standard Delivery location (lot) they are bidding on. The OPIS Weekly gross rack average price shall remain firm through the term of the contract including any renewals.
- Upon award, the per gallon fuel price will be based on the OPIS Weekly gross rack average price per gallon in effect for deliveries on the Bid Schedule for the type and grade of fuel delivered.
- The Mgt price offered in response to this ITB will be added to the published OPIS Weekly gross rack average price in effect on the day of delivery for the type and grade of fuel delivered to equal the TFC per gallon charged to the borough 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 Weekly gross rack average price:** The OPIS Weekly gross rack average price in effect on the day of delivery for the type and grade of fuel delivered. The OPIS prices listed in the Thursday, weekly OPIS report remain in effect until the next weekly report is issued on the following Thursday. For example, fuel delivered on Monday would have the OPIS price from the most recent weekly

report issued the previous Thursday. Fuel delivered on Thursday will use the most recent OPIS pricing from the report published that same day.

- **Mgt:** The amount per gallon that the vendor charges the borough 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 Weekly gross rack average price plus the Mgt shall equal the TFC price per gallon paid by the borough 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 borough is invoiced. The OPIS Weekly gross rack average price fluctuates on a weekly 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.

5. Replace "ATTACHMENT A" with the "ATTACHMENT A (Revised)" provided.
6. Replace "BID SUBMITTAL FORM" with "(Revised) BID SUBMITTAL FORM" provided.

BID OPENING

In the bid documents, change all bid opening dates or bid submission deadlines to **February 18, 2014 at 2:00 PM.**

END OF ADDENDUM NO. 2

CTIY AND BOROUGH OF WRANGELL
FUEL BIDS

ATTACHMENT A (Revised)

		ESTIMATED ANNUAL USAGE	TANK SIZE	KEEP FULL OR AS NEEDED	FUEL TYPE	LOCATION	BILLING ADDRESS
1	HIGH SCHOOL	2,000	10,000	AS NEEDED	#2 HEATING FUEL	BURRIED TANK BETWEEN THE HIGH SCHOOL AND RIED STREET	WRANGELL PUBLIC SCHOOLS , BOX 2319, WRANGELL, ALASKA 99929
2	MIDDLE SCHOOL	8,500	4,000	Keep Full	#2 HEATING FUEL OR WINTER BLEND	ABOVE GROUND TANK BETWEEN HIGH SCHOOL AND MIDDLE SCHOOL	WRANGELL PUBLIC SCHOOLS , BOX 2319, WRANGELL, ALASKA 99929
3	ELEMENTARY SCHOOL	12,500	3,000	Keep Full	#2 HEATING FUEL	BURRIED TANK BETWEEN THE ELEMENTARY SCHOOL AND BENNETT STREET	WRANGELL PUBLIC SCHOOLS , BOX 2319, WRANGELL, ALASKA 99929
4	WRANGELL MEDICAL CENTER	20,000	3,000	Keep Full	#2 HEATING FUEL OR WINTER BLEND	BURRIED TANK NEAR THE CLINIC ENTRANCE	WRANGELL MEDICAL CENTER, BOX 1081, WRANGELL, ALASKA 99929
5	NOLAN CENTER	1,500	4,000	Keep Full (*)	#2 HEATING FUEL OR WINTER BLEND	ABOVE GROUND TANK IN THE BACK PARKING LOT	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929
6	PUBLIC SAFETY BUILDING	2,800	4,000	Keep Full (*)	#2 HEATING FUEL	BURRIED TANK IN THE FENCED YARD BELOW THE BUILDING	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929
7	ELECTRICAL GENERATION PLANT	66,000	10,000	Keep Full (*)	ULSD Diesel Fuel #2	ABOVE GROUND TANK BEHIND THE POWER PLANT	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929
8	ELECTRIC PLANT HEAT	6,500	500	Keep Full	#2 HEATING FUEL OR WINTER BLEND	INSIDE THE POWER PLANT HOUSE	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929
9	PUBLIC WORKS HEAT	1,900	275	Keep Full (*)	#2 HEATING FUEL	INSIDE THE PUBLIC WORKS SHOP	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929
10	HARBOR OFFICE	500	275	Keep Full	#1 HEATING FUEL	ABOVE GROUND TANK ON THE NORTHWEST SIDE OF THE BUILDING	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929
11	TRAVEL LIFT MACHINE	1,300	?	Keep Full	ULSD Diesel #2	LOCATED IN THE MARINE CENTER YARD-VARIOUS LOCATIONS	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929
12	PUBLIC WORKS VEHICLE-DIESEL	8,600	850	Keep Full	ULSD Diesel #2	LOCATED IN THE PUBLIC WORKS YARD	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929
13	PUBLIC WORKS UNLEAD GAS	19,000	850	Keep Full	UNLEADED GAS	LOCATED IN THE PUBLIC WORKS YARD	CITY AND BOROUGH OF WRANGELL, BOX 531, WRANGELL, ALASKA 99929

* NOTES: The keep full above marked with an asterisk are sites, explained below, that normally do not use a high volume of fuel and have special run out penalty conditions.

The Public Safety Building and Nolan Center: These buildings are normally heated by electricity. However, when there is a problem with the electric heat or if the Tyee Hydro Plant is down, then these sites heat with heating oil and will use much more. The City is required to notify the contractor when these buildings are on heating fuel. If the City has notified the contractor that a building is on heating oil and the building runs out of fuel, the run out penalty is in force. If the City fails to notify the contractor and the facility runs out of fuel, the contractor is not responsible for the run out penalty.

Public Works Heat: Normally this facility is heated with a waste oil system. However, when that source of fuel runs out, the building then is heated with heating oil#2. It is the responsibility of the City to notify the contractor that the building is heating with heating oil and needs to be on a keep full status. Only then will the run out penalty be in force.

Power Plant Generation: When it is planned to be on deisel generation, the City will notify the contractor 30 days in advance. If there is an unexpected outage and the City is on deisel generation, the City will notify the contractor as soon as practical. Once notification is given, this tank would be on keep full and the run out penalty would be in affect. It is the responsibility of the City to notify the contractor when the City is no longer on diesel generation.

FUEL BIDS- BID SUBMITTAL FORM

BID OPENING: JANUARY 18TH, 2014 , 2:00 P.M.

CITY HALL, 205 BRUEGER STREET, WRANGELL, ALASKA

		(SEE DEFINITION IN BID DOCUMENT) (EST USAGE X MGT)			
		ESTIMATED ANNUAL USAGE	FUEL TYPE	MANAGEMENT FEE BID (MGT)	BID AMOUNT
1	HIGH SCHOOL	2,000	#2 HEATING FUEL		
2	MIDDLE SCHOOL	8,500	#2 HEATING FUEL OR WINTER BLEND		
3	ELEMENTARY SCHOOL	12,500	#2 HEATING FUEL		
4	WRANGELL MEDICAL CENTER	20,000	#2 HEATING FUEL OR WINTER BLEND		
5	NOLAN CENTER	1,500	#2 HEATING FUEL OR WINTER BLEND		
6	PUBLIC SAFETY BUILDING	2,800	#2 HEATING FUEL		
7	ELECTRICAL GENERATION PLANT	66,000	ULSD Diesel Fuel #2		
8	ELECTRIC PLANT HEAT	6,500	#2 HEATING FUEL OR WINTER BLEND		
9	PUBLIC WORKS HEAT	1,900	#2 HEATING FUEL		
10	HARBOR OFFICE	500	#1 HEATING FUEL		
11	TRAVEL LIFT MACHINE	1,300	ULSD Diesel Fuel #2		
12	PUBLIC WORKS VEHICLE-DIESEL	8,600	ULSD Diesel Fuel #2		
13	PUBLIC WORKS UNLEAD GAS	19,000	UNLEADED GAS		

TOTAL BID	
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*NOTE: FOR PURPOSES OF THIS BID, THE OPIS PRICE WILL BE THE SAME FOR EACH BIDDER SO THE MANAGEMENT FEE (MGT) IS THE ONLY FACTOR THAT IS IMPORTANT IN DETERMINING THE LOW BIDDER AND IS ALL THAT WILL BE USED IN THE BID SHEET.

THE FOLLOWING ARE REQUIRED AS PART OF THE BID SUBMITTAL

PROOF OF ALASKA BUSINESS LICENSE OR LICENSE NUMBER:		
ACKNOWLEDGE ADDENDA: #1:	#2:	#3:
NAME AND ADDRESS OF THE BIDDER:		
FEDERAL TAX ID NUMBER OF BIDDER:		
NAME OF AUTHORIZED REPRESENTATIVE:		
SIGNATURE OF AUTHORIZED REPRESENTATIVE:		
DATE:		