



**COUNTY OF HENRICO  
DEPARTMENT OF FINANCE  
PURCHASING DIVISION**

**CONTRACT EXTRACT  
NOTICE OF RENEWAL**

DATE:	September 24, 2018
CONTRACT COMMODITY/SERVICE:	Grade No. 2 Ultra Low Sulfur Diesel
CONTRACT NUMBER:	1518A
COMMODITY CODE:	405.09
CONTRACT PERIOD:	November 1, 2018 through October 31, 2019
RENEWAL OPTIONS:	3 renewals remaining through October 31, 2022
USER DEPARTMENT:	County
SUPPLIER:	Name PAPCO, Inc.
	Address 4920 Southern Boulevard
	City, State Virginia Beach, VA 23462
	Contact Name Scott Effinger
	Phone Number 757-321-4436 , 757-619-6192 (cell)
	Fax Number 757-352-2178
	Email address <a href="mailto:scott.effinger@papco.com">scott.effinger@papco.com</a> <a href="mailto:victoria.smith@papco.com">victoria.smith@papco.com</a>
	Emergency Telephone Number 757-375-4653, 757-499-5977
ORACLE SUPPLIER NUMBER:	29788
BUSINESS CATEGORY:	Small
PAYMENT TERMS:	Net 30
DELIVERY:	As Needed and Requested
FOB:	County of Henrico
BUYER:	Name Eric Rosen
	Title Procurement Analyst
	Phone 804-501-5639
	Email ros074@henrico.us

**This contract is the result of a competitive solicitation issued by the Department of Finance, Purchasing Division. A requisition must be generated for all purchases made against this contract and the requisition must reference the contract number. See attached pricing.**

Contract No. 1518 A Price List:

**LOT 1 - JOINT PRICE FOR COUNTY OF HENRICO and HANOVER COUNTY**

Price per gallon of #2 Ultra Low Sulfur Diesel furnished and delivered based on a regular transport delivery and tank wagon delivery to locations listed on Attachments D and E.

Item #	Delivery	Differential Per Gallon (4 decimal)
1	Transport	\$ -.0005
2	Tank Wagon	\$ .0515

Virginia Underground Storage Tank (UGST) Fee per gallon \$ .006

Federal Leaking Underground Storage Tank (LUGST) Fee per gallon \$ .002143

Pumping fee for transport delivery to AGT that cannot be gravity fed. \$ 45.00

Demurrage Fee in the event fuel unloading takes more than two (2) hours. \$ 75.00/hr.

Split Load Fee where applicable. \$ 40.00

To place fuel orders via Will Call, there are two ordering options are available to you and or your team(s):

1. Email (preferred): submit order to [orders@papco.com](mailto:orders@papco.com)

Please be sure to provide the following information:

- Product(s)
- Gallons Required
- Delivery Ship-to address
- Delivery window (4hr)
- PO# (if applicable)
- Contact name
- Phone#

2. Telephone: Phone orders can be placed through PAPCO Customer Service between the hours of 7:30am – 6:00pm by calling Toll-Free: [\(800\) 899-0747](tel:8008990747) and selecting option 1. Be prepared to provide the following information:

- Product(s)
- Gallons Required
- Delivery Ship-to address
- Delivery window (4hr)
- PO# (if applicable)
- Contact name
- Phone#

## GENERAL REQUIREMENTS:

1. Grade No. 2 Ultra Low Sulfur Diesel (ULSD) Fuel:
  - a. The diesel delivered shall be a general purpose, middle distillate fuel for automotive diesel engines requiring No. 2 ultra-low sulfur fuel containing no more than 15 parts per million sulfur content. It must be suitable for use in applications with conditions of varying speed and load. Fuel shall conform to the latest ASTM Specification D975. Fuel must have a minimum cetane rating of 40 as computed using the ASTM D-613 method.
  - b. The diesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, federal, state and local regulations, specifications, codes and requirements. Diesel fuel supplied must be free from contamination. At any time during the full term of the contract, Localities reserve the right to modify the contract to allow for progressive growth, knowledge, and advancements and or any Federal and or State changes to the specifications, requirements, and/or regulations as specified. For any modifications, contract pricing formula shall remain the same in formatting contract rates.
2. Material and Workmanship:
  - a. The Successful Bidder must ensure that all delivered fuel shall be of high quality and does not contain any foreign substance, sediment, water or any other contamination which may damage any vehicles or storage tanks. When requested, the Successful Bidder shall describe their proposed quality assurance processes, measures and corrective action plans to ensure the when the diesel fuel is delivered, it does not contain any foreign substances or water.
  - b. The Successful Bidder should also describe any proposed preventative action measures, to include the use of additives or pre-delivery testing, to ensure the delivery of high quality diesel fuel. If the Successful Bidder proposes the use of additives to ensure the delivery of high quality diesel fuel that does not contain foreign substances or water, they should submit documentation as to the effectiveness of the additive any benefits or disadvantages to the Locality's vehicles, equipment, or fuel storage tanks.
  - c. The Successful Bidder shall blend any additives prior to delivery. Additives shall not be blended or dumped into the storage tank at the delivery site. If requested, the Successful Bidder shall describe their proposed methodology for blending additives.
  - d. Safety Data Sheets and descriptive literature shall be provided with the bid for the diesel fuel offered. Failure on the part of the bidder to submit such data sheets may be cause for declaring the bid nonresponsive.
  - e. The calculated cetane method will be used to determine cetane rating of fuel delivered. Please refer to ASTM D-613 latest edition for test method to ensure cetane rating of 40 is being delivered. Only clear, un-dyed ultra-low diesel with specifications for highway use shall be used.

3. Inspection:

- a. Localities ordering fuel reserve the right to periodically sample and analyze the delivered material. The supplier will allow samples to be taken prior to discharging of product into the Localities' tanks. Samples will be taken without prior notice. Inspection will be at the expense of the requesting Locality. It will be used to determine compliance of the product with the quality described in the specifications. When the test analysis shows that the fuel is in compliance with specifications, the authorized user will pay for the test. When the test analysis shows the fuel does not meet the requirements, the Locality shall pay for the test.
- b. Diesel fuel that does not meet the product quality requirements stated herein, as evidenced through product testing, and are judged by the Locality to be unacceptable may be rejected. In such cases, the Successful Bidder shall remove such fuel and replace it at no additional cost to the Locality. In addition, the Successful Bidder shall be liable for all charges, labor and/or materials, which includes but may be limited to tank cleaning, necessary to bring contaminated tanks back to their pre-contaminated condition.

4. Delivery:

- a. Transport Delivery – Large tank truck delivery of 7,500 gallons or more to locations whose tanks meet the minimum 7,500 gallon capacity
- b. Tank Wagon Delivery – There are various locations within each locality, which use standby generators. Delivery of less than 7,500 gallons by transport delivery will be charged at the tank wagon rate.
- c. The Successful Bidder shall provide delivery vehicles in good repair, operated by trained personnel for all deliveries.
- d. It shall be the responsibility of the Successful Bidder to maintain sufficient No. 2 ultra-low sulfur diesel needed for normal operations at all Locality locations, unless otherwise mandated by the federal or state government during the contract period and the extensions
- e. Orders will generally be placed by telephone or email. All orders placed under this contract shall be fulfilled within 48 hours, unless delayed delivery is requested.
- f. Deliveries will be made in "Gross Gallons". If net gallons are delivered or invoiced, the Successful Bidder will be considered in default of the contract.
- g. On transport deliveries to above-ground storage tanks (AGST) that cannot be gravity fed, the Successful Bidder may include a flat fee pump charge.
- h. In the Attachments D and E for each fuel site location, there will be a column titled "Delivery" that will indicate the type of tank (AGST or UGST), and the delivery type (automatic or on-call). Automatic means that the Successful Bidder will ensure that the storage tank is kept filled such that the tank does not run below 35% capacity based on customer usage at the fuel site. On-call means that the locality will place an order for fuel delivery that must be filled within 48 hours.

- i. The Successful Bidder, when entering any delivery site to make deliveries, will be liable for any damages to property at the site or injury to personnel caused by the negligence of its employees, agents, or subcontractors.
- j. The Successful Bidder shall be responsible for complying with all federal, state, and local environmental regulations relating to transporting, handling, storage, spillage and any other aspect of providing the services and fuel referred to herein.
- k. The Successful Bidder shall make fuel deliveries in a neat and business-like manner. The Successful Bidder is responsible for clean up of spills incidental to deliveries at his/her expense and to the satisfaction of the Locality. In the event of a fuel spill, the Successful Bidder shall be responsible for thorough and prompt clean-up of all spillage per EPA specifications.
- l. The Successful Bidder shall guarantee proper delivery of diesel fuel to the Locality in the quantities set forth at the guaranteed price set forth and at times mutually agreed by with the Locality. If the Successful Bidder fails to comply with any of these requirements the Locality may obtain such fuel from other sources and the Successful Bidder shall be responsible to the Locality for any additional costs paid. Any additional cost will be verified by providing copies of invoices for other expenses.

5. Metering:

- a. Transport Delivery – Delivery tickets for transport drops shall be metered at the terminal. Copy of the ticket shall be attached to the invoice and forwarded to the Localities. Authorized Locality location personnel may check compartments before and after unloading. That amount of gallons will be the basis for billing.
- b. Tank Wagon Delivery – Delivery tickets for tank wagon deliveries shall be metered at the point of delivery.
- c. The Successful Bidder shall submit by August 1 of each contract period, a usage report to each Locality for the period July 1 through June 30. The usage report shall indicate total gallons per each location.

6. Pricing:

- a. The contract price per gallon shall be determined by the following formula:

**Base Price (Terminal/Rack Price) +/- Markup (Fixed Differential) = Price per Gallon**

- b. The base price will be based on the Thursday, 6:00 p.m. Richmond, Virginia terminal average rack price for #2 Ultra-low Sulfur Diesel Fuel as indicated in the weekly Oil Price Information Service (OPIS) publication. The average rack price listed will be the base price per gallon for any amounts of fuel delivered during the following week (Monday through Sunday). There shall be no additional costs or credits applied to the base price.

- c. The 'Markup' shall be the Successful Bidder's fixed fee differential per gallon for either transport or tank wagon deliveries as appropriate. The contract and correspond fixed differential may be renewed for four (4) additional one-year periods upon the sole discretion of the Localities. The fixed fee differential may not exceed 3% above the previous year's rate.
- d. This markup price shall include delivery to the tanks and locations herein, all overhead, profit, Federal LUST fees, Federal Oil Spillage Fee, Virginia Tank Storage Fee, and any other additional charges or credits that may apply. Bid prices shall be exclusive of all taxes.
- e. The Successful Bidder's differential quoted in this bid will be effective for the entire contract period. Thus, prices quoted for #2 Ultra-low Sulfur Diesel Fuel may fluctuate (up or down) during the term of the contract but must be based upon published prices from OPIS for Richmond, Virginia.
- f. The Successful Bidder is to use for posting prices, a terminal pipeline operator doing business in Virginia or refinery postings for Richmond, Virginia.
- g. The "Oil Price Information Service" is published weekly by the United Communications Group, 11300 Rockville Pike Suite 1100 Rockville, MD 20852-3030. The Successful Bidder's differential will remain firm for the contract period. Selling prices will be rounded to four decimal places.

7. Taxes and Reporting:

- a. Localities shall be exempt from payment of any federal, state, and excise taxes.
- b. Localities are subject to the Virginia Tank fee and the Federal Leaking Underground Storage Tank fee (LUST fee) as mandated by law. Localities shall pay these fees on a separate line item on the invoice for fuel payment. The Successful Bidder shall provide documentation to each locality substantiating any fee increase or decrease and adjustments shall be made accordingly on invoices for payment. Please indicate the UGST and the LUGST fee on the bid form.
- c. The Successful Bidder shall submit by August 1 of each contract period, a usage report to each Locality for the period July 1 through June 30. The usage report shall indicate total gallons per each location. Report shall also distinguish between number of gallons pumped into below ground storage tanks, and the number of gallons pumped into above ground storage tanks.

8. Labeling: Federal regulations require the labeling of all fuel dispensers to specify the type of fuel. The Successful Bidder shall be responsible for correctly labeling all fuel dispensers for fuel provided during this contract in compliance with EPA 40 CFR 80.570 requirements and all other applicable rules and regulations. Localities will inform Successful Bidder of any existing or new dispensers not labeled.

9. Invoicing and Payment:

- a. The Successful Bidder shall submit invoices in duplicate the bill to address identified in the purchase orders used to issue orders against this contract. Invoices must include, but not be limited to:
  - 1) Name and address of company
  - 2) Purchase order number
  - 3) Description of fuel
  - 4) Location of delivery
  - 5) Date of delivery
  - 6) Quantity delivered in gross gallons
  - 7) Posted unit price per gallon
  - 8) Total price
  
- b. The Successful Bidder must provide a current copy of the documented base price with each invoice before payment will be made. Failure to submit this requested base price documentation may result in contract cancellation on the basis of nonperformance or default. To be considered current, documentation of the base price can be no more than fifteen (15) days old at the time of submission.