

# Admin Minnesota

## Office of State Procurement

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Persons with a hearing or speech disability may contact us through the Minnesota Relay Service by dialing 711 or 1.800.627.3529.

### CONTRACT RELEASE: F-529(5)

**DATE:** FEBRUARY 1, 2025

**PRODUCT/SERVICE:** FUEL PROGRAM: FIXED AND SPOT PRICE FOR METRO AREA PARTICIPANTS ONLY

**CONTRACT PERIOD:** FEBRUARY 1, 2025, THROUGH JANUARY 31, 2026

**EXTENSION OPTIONS:** 48 MONTHS

**ACQUISITION MANAGEMENT SPECIALIST:** JACK MOORE

**PHONE:** 651.201.2427

**E-MAIL:** [jack.moore@state.mn.us](mailto:jack.moore@state.mn.us)

**WEB SITE:** <https://mn.gov/admin/osp/>

<u>CONTRACTOR</u>	<u>CONTRACT NO.</u>	<u>TERMS</u>	<u>DELIVERY</u>
Mansfield Oil Company of Gainesville 1025 Airport Parkway SW Gainesville, GA 30501	263096	NET 30	ONE DAY ARO

**VENDOR NO.:** 0000257340

**SEND ALL OF YOUR ORDERS VIA E-MAIL – DO NOT RELY ON VERBAL ORDERS.**

Customers should expect to receive an order confirmation back the same business day.

**Orders should be sent to:**

Email: [kbennett@mansfieldoil.com](mailto:kbennett@mansfieldoil.com)

Office: (678)450-2092

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**CONTRACT USERS.** This Contract is **ONLY AVAILABLE** to the Program Participants who have guaranteed fuel quantities for the Fixed Price Program. No other State agencies or members of the State's Cooperative Purchasing Venture (CPV) program may use the Contract.

**AGENCY ORDERING INSTRUCTIONS.** Orders are to be placed directly with the Contractor. The person ordering should include his or her name and phone number. Orders may be submitted via writing.

## **SPECIAL TERMS AND CONDITIONS**

**SCOPE.** The purpose of the Contract is to provide a source for diesel and gasoline products at a firm fixed price for quantities that have been guaranteed by the Participant and additional fuel products at a spot price at the Participants discretion.

**PRICES.** Prices are firm for the Fixed Fuel Program through the first year. After that period, prices may be adjusted once a year. Price adjustments are not effective until they are approved by the AMS. **NOTE:** At no time should the ordering entity pay more than the Contract price. Agencies must contact the AMS immediately and fill out a Vendor Performance Report if there is a discrepancy between the price on the invoice and the Contract price.

Contract Prices are only available to Program Participants. Contact the AMS listed for further information.

### **REMINDER: THE CONTRACTOR MAY ONLY DELIVER PRODUCTS THAT MEET THE SPECIFICATIONS OUTLINED IN THE CONTRACT.**

**PRODUCT SPECIFICATIONS.** Specifications for diesel fuel and gasoline that will be contracted are included in the Contract Release. Any product provided must comply with the specifications and must meet all current State and federal requirements on the date the product is delivered. The Participant will order winter blends by the percentage of biodiesel they want, i.e., B5, B10, B15, B20, and it is the Contractor's responsibility to deliver product that meets the specifications.

**NOTE: All B5 delivered must meet all product specifications for cold weather use.**

The State may modify the specifications at any time based on State or federal changes in fuel requirements.

At any time during the term of the Contract, if mutually agreed, the State may add additional products that could be offered on the Spot Price Program.

**DELIVERY REQUIREMENTS.** All shipments will be FOB Destination with the delivery costs included into the Contract price. Unless otherwise agreed by the Participant and the Contractor, delivery will be made in 24 hours or less after receipt or order. **All deliveries must include a Bill of Lading showing the name of the product and the number of gallons delivered.**

**KEEP FILL REQUESTS.** If the Participant desires to have a "keep fill" service, the Contractor must still provide the product at the Contract price and per the terms and conditions of the Contract. The "keep-fill" schedule will be coordinated between the Contractor and the Participant. The Participant must take at least a 500-gallon minimum delivery unless otherwise approved by the Contractor.

**FUEL ADDITIVES.** If a Participant desires to have an additive included to its product such as an injection cleaner, moisture inhibitor, etc., the Contractor will only use products that meet the current ASTM standards. The cost for the additional additives will be borne by the Participant. The additives ordered by the Participant must be blended or mixed at the Contractor's location or at the refinery.

**SPLASH BLENDING.** Splash Blending is not allowed at any fuel delivery site location. All blending, mixing or additives must be done at the Contractor's location or at the refinery.

**CONTRACT LIABILITY.** The Contractor shall be held liable for any damages that may occur due to equipment malfunction or failure as a result of, but not limited to, the following:

- a. furnishing a contaminated product
- b. furnishing a grade of fuel other than specified or authorized

The Contractor shall bear all **actual** associated costs of removing any contaminated fuel, or any fuel not meeting specifications from the storage tanks, which includes, but is not limited to, removing and replacing the product, cleaning and/or replacing the tanks, cleaning and/or replacing any equipment or buildings damaged, re-landscaping, environmental or cleanup fees, any Participant associated labor costs, etc.

If the Participant's site is deemed unusable due to Contractor product or delivery liability, the Contractor shall provide a "wet" fuel truck to the Participant's site for dispensing product at no charge to the Participant. The wet fuel truck will remain on site until the Participant's site is deemed acceptable to resuming service.

**REPORTING.** Upon request, the Contractor must provide track usage information that will show the gallons delivered to each Participant's, and their location both on the Fixed Price and the Spot Price programs and the total dollars spent. The report will be provided electronically to the Participant upon request, at no additional cost.

**MARKET/INDUSTRY REPORTS.** Quarterly, or if upon request, the Contractor must provide a recap of world and market conditions and how the events impact the industry with regards to current and forecasted product availability. This report will be sent to the AMS.

Quarterly, or if upon request, the Contractor must provide a summary report that will compare Contract prices with the monthly summary of fuel prices as published by the Department of Energy (DOE) that will allow the end user to monitor and evaluate its savings/loss statement based on the industry prices vs. the Contract prices. This report will be sent to the AMS.

**CREDITS.** The Contractor must have a program in place that will monitor all available fuel credits – including tax credits at the State and federal levels – that would be available to participants using the Contract. Upon request of the State, the Contractor will provide notification of the available credits and submit a detailed report to the AMS that will show the credits that will be issued to the Participants.

All credits, including tax credits, listed in Exhibit D: Price Schedule are contractually obligated and are applicable, at a minimum, for the duration of the credit term(s) as defined.

Credits must be shown as a separate line item(s) on the Participant's invoice.

**FIXED PRICE FUEL PROGRAM REQUIREMENTS.** The agencies listed on the Fixed Price Schedule are required to take 100% of monthly quantity listed and the Contractor is required to provide 100% of the monthly quantities contracted.

If the original Participant is unable to take all of the monthly committed gallons, the Contractor will be responsible for contacting other locations participating in the Fixed Price Contract to determine if they are able to take additional gallons.

If the Contractor is able to ship the unused gallons from the original participating Participant to another participating agency, there will be no cost to the original participating agency.

If the Contractor is unable to ship the unused gallons from the original participating Participant to another participating agency, they may sell the unused gallons on the open market and either debit or credit the difference in price back to the original participating Participant based on the open market sell price.

If the Contractor is unable to provide all of the monthly committed gallons to a participating member by the due date and time, the participating member may purchase the product on the open market and charge the Contractor for any additional costs incurred.

**CUSTOMER SERVICE.** The Contractor will establish a monitoring program to stay in contact with Participants in the Fixed Price Program and advise them of any fuel quantities they are required to take for a specific month. If the Participant desires a "keep fill" program for its location, the Contractor will assist in providing usage information to the Participant so it is aware of what the fuel consumption is when requested.

**"FIXED" PRICE PROGRAM PRICES.** *Delivery quantities cannot exceed State and federal transportation regulations. Therefore, the lowest pricing tier will only be applied to the largest portion of the total quantity that is legally allowed to be delivered. The remaining gallons will be priced at the appropriate Contract pricing tier for the delivery size of the balance of the order. For example, 5,000 gallons of gasoline and 5,000 gallons of diesel will be delivered via transport truck with*

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8,000 gallons and the remaining 2,000 gallons will be delivered via tank wagon. Each delivery will be priced at those respective delivery tiers.

Only those participating agencies listed on the Price Schedule may obtain product at the price contracted. If a participating agency needs additional product over and above its monthly commitment, and there is no available product from the monthly commitment, it may purchase product utilizing the Contractor's Spot Price Formula or by purchasing on the open market.

If the original purchaser is unable to take all of the monthly committed gallons, the Contractor will be responsible for contacting other locations participating in the Fixed Price Contract to determine if they are able to take additional gallons. If the Contractor is able to ship the unused gallons from the original participating purchaser to another participating agency, there will be no cost to the original participating agency.

If the Contractor is unable to ship the unused gallons from the original participating purchaser to another participating agency, they may sell the unused gallons on the open market and either debit or credit the difference in price back to the original participating purchaser.

**DELIVERY REQUIREMENTS.** The Contractor will coordinate the delivery schedule with each individual Participant. As stated in the Special Terms and Conditions, if the purchaser desires to have a **"keep fill" service**, the Contractor must still provide the product at the Contract price and per the terms and conditions of the Contract. The price charged per gallon for the "keep fill" service will be based on the tank size at the customer location and at the quantity threshold price offered by the Contractor. For example, if the customer tank size is 3,000 gallons, the cost per gallon invoiced will be at the 3,000 – 3,999 price level on the Price Schedule. The "keep-fill" schedule will be coordinated between the Contractor and the Participant. The purchaser must take at least a 500-gallon minimum delivery unless otherwise approved by the Contractor.

**INVOICE REQUIREMENTS.** Invoices must be submitted per the Invoice Submittal Matrix below, unless otherwise approved by the Customer. Invoices should be sent electronically to the Customer unless directed otherwise by the Customer.

**Invoice Submittal Matrix:**

<b><u>Delivered</u></b>	<b><u>Invoice Submitted By</u></b>	<b><u>Calendar Days</u></b>
Monday	Thursday	3
Tuesday	Friday	3
Wednesday	Friday	2
Thursday	Monday	4
Friday	Tuesday	4
Saturday	Tuesday	3
Sunday	Wednesday	3

Delivery day is Day Zero (0), next day is Day One (1). An additional one (1) calendar day will be added when a State or Federal Holiday falls within the invoice submitted by timeline.

Notwithstanding any other rights under the Contract, invoices received after the allowed timeline stated in the Invoice Submittal Matrix, shall be discounted as follows:

One (1) day = 10 cents per gallon on affected invoice

Two (2) days = 15 cents per gallon on affected invoice

Three (3) or more days = 20 cents per gallon on affected invoice

**Fixed Price Program.** The Contractor shall invoice the Participant with the following information clearly marked:

- A. Delivery date
- B. Total gallons delivered
- C. Fixed Contract price
- D. Applicable State or federal taxes, city taxes or fees

**Spot Price Program.** The Contractor shall invoice the Participant with the following information clearly marked:

- A. Delivery date
- B. Total gallons delivered
- C. Name of the terminal from where the product was shipped
- D. Total bid constant per gallon
- E. Daily Contract Average Price per gallon on the date of delivery date from the Minneapolis (designated) terminal using the State approved fuel index service, which is Telvent DTN or its current subscription service provider, etc.
- F. Total Delivered Cost (Total Bid Constant + Daily Contract Average Price from Minneapolis Terminal x Number of Gallons (Total Delivered Cost))
- G. Applicable State or federal taxes, city taxes or fees

**FIXED PRICE FUEL PROGRAM.** Invoices for the “fixed” price program must include the following information:

- A. Delivery date
- B. Total gallons delivered
- C. Fixed Contract price
- D. Applicable State or federal taxes, city taxes or fees

The “fixed” price will be the Total Delivered Price to the Participants.

If a Participant orders product with multiple delivery locations, the Contractor may impose a drop charge after the initial load is delivered. A price must be included on the Price Schedule. If no charge is entered on the Price Schedule, no drop charge may be imposed.

**SPOT PRICE FUEL PROGRAM.** In order to meet its additional fuel requirements over and above the committed quantities in the Fixed Price Program, Participants in the nine-county metropolitan area may utilize a Spot Price Program.

Participants will not be required to buy their additional fuel using the Spot Price program but may if they so choose. If the Contract is used, Participants will use the spot prices offered by the Fixed Price Program Contractor.

The Spot Price Fuel Program will be available to the Participants in the Fixed Fuel Price Program and will be used on an as needed basis.

Contract prices are determined by using the following formula:

$$\begin{aligned} &\text{Total Bid Constant (Bid Constant + Delivery Cost)} \\ &+ \text{Daily Contract Average Rack Price per Gallon as posted on the Fuel Index (DTN)} \\ &\underline{\times \text{Number of Gallons Delivered}} \\ &= \text{Total Delivered Price} \end{aligned}$$

**Bid Constant.** The Bid Constant includes all of the Contractor’s costs, overhead, all expenses and profit. The Bid Constant is the amount per gallon the vendor submits as a constant price which is the cost, on any given day, the product is delivered to the Participant.

**IMPORTANT:** The Bid Constant is per gallon. **The Bid Constant must remain unchanged during the initial term of the Contract.**

**Delivery Cost.** The Delivery Cost is the fee, per gallon, to deliver the product to the Participant from the designated terminal. The designated terminal is listed on the Price Schedule. The delivery cost offered must be calculated on shipping from the designated terminal. The Contractor may not adjust the delivery price due to obtaining product from a different terminal. The State reserves the right to change the designated terminal at any time during the Contract term.

The Delivery Cost, as offered, must remain the same for the initial term of the Contract. Delivery costs may be reviewed if the Contract is extended.

Fuel surcharges will not be allowed during the term of the Contract.

**Total Bid Constant.** The Total Bid Constant is the combined price of the Bid Constant and the Delivery Cost per gallon.

**Daily Contract Average Price.** The daily Contract average price is an average of the prices posted by the companies using a terminal to store and load petroleum products. The method used to obtain the daily average price for diesel products is based on the bulk loading terminal daily contract average price as quoted and posted by DTN Telvent – or the State’s current price index service – on the day the product is delivered. If the State of Minnesota contracts with a different information service during the term of the Contract, the State reserves the right to amend the Contract with a new source for providing the rack average price. Please refer to contract release F-493(5) Fuel Rack Prices for more information.

The **Daily Contract Average** is posted by Telvent DTN – or current State of Minnesota Fuel Index Provider – each day by 10:00 a.m., EST, Monday through Friday, is frozen and is not updated until the next business day at 10:00 a.m., EST.

***Only accept contractor quotes that provide itemized contract pricing (lump sum price quotes must be rejected and reworked by the Contractor to show itemized State contract pricing).***

***Prior to accepting an order and/or issuing payment on an invoice, inspect the goods and/or deliverables to ensure they match both the terms and pricing of the contract.***

Contact the AMS/Buyer detailed herein to report any pricing discrepancies or for assistance in confirming/calculating contract pricing.

**THE DESIGNATED TERMINAL FOR THE PARTICIPANTS IS MINNEAPOLIS.** The Contractor must always charge the published Daily Contract Average Price from the designated terminal as contracted, on the day the product is delivered, regardless from where the product is secured. The Participant will not specify a terminal when product is ordered. All product delivered must meet specifications regardless of where the product is obtained.

If Participants purchase a blend of No. 1 and No. 2 low sulfur diesel fuel, the Contractor must show the Contract Average rack price for each product delivered. The Contract or must not average the daily rack price for the two products.

The Delivery Cost, as offered, must remain the same for the initial term of the Contract. Delivery costs may be reviewed if the Contract is extended.

Fuel surcharges will not be allowed during the term of the Contract.

**INVOICE REQUIREMENTS.** The Contractor shall invoice the purchaser with the following information clearly marked:

- A. Delivery date
- B. Total gallons delivered
- C. Name of the terminal from where the product was shipped
- D. Total bid constant per gallon
- E. Daily Contract Average Price per gallon on the date of delivery date from the Minneapolis (designated) terminal using the State approved fuel index service, which is Telvent DTN or its current subscription service provider, etc.

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- F. Total Delivered Cost (Total Bid Constant + Daily Contract Average Price from Minneapolis Terminal x Number of Gallons (Total Delivered Cost)
- G. Applicable State or federal taxes, city taxes or fees

**REVISIONS:**

**Price Schedule and Quantity Commitments:**

[Mansfield Price Schedule Link](#)

**Fully Executed Contract:**

[Fully Executed Contract Link](#)