



Government Support Services – Contracting
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DATE: JUNE 8, 2010
TO: ALL OFFERORS
FROM: PETER KOROLYK
STATE CONTRACT PROCUREMENT OFFICER
SUBJECT: ADDENDUM TO REQUEST FOR PROPOSAL NO.: **GSS10157-FUEL_MGMT**

ADDENDUM #2

This Addendum is issued to answer vendor questions and provide greater contract detail regarding the referenced Request for Proposal.

The table of contents for Addendum # 2 is as follows:

- A. Vendor Question and Answer Summary
- B. DeIDOT Owned Tank Specifications
- C. Attached Excel Spreadsheets
 - i. DeIDOT Tank Locations
 - ii. DeIDOT Requested Report Sample
 - iii. Original Vendor Usage Report
 - iv. Exceptions Format

A. VENDOR QUESTION and ANSWER SUMMARY

1. Section A – General Provisions, Page 7, paragraph 15 titled DISQUALIFICATION OF BIDDERS, item 15.e. reads as follows:

15. DISQUALIFICATION OF BIDDERS:

Any one or more of the following causes may be considered as sufficient for the disqualification of a bidder and the rejection of its proposal or proposals:

- e. If there are any unauthorized additions, interlineation, conditional or alternate bids or irregularities of any kind which may tend to make the proposal incomplete, indefinite, or ambiguous as to its meaning.

QUESTION: If Proposer submits in writing a request that certain mandatory requirements in the RFP be changed, deleted or allow variance from the requirement and

the State responds that it will not change or remove the requirement; then if Proposer submits a proposal taking exception or conditioning its response with difference from said requirement; is the State allowed to accept the proposal with the Exception?

ANSWER: As previously discussed in the pre-bid meeting, if an offeror takes exception to a mandatory requirement, the offeror must state in writing the exception, the basis of the exception, any limiting or mitigating factors to a fulfilling a mandatory requirement.

The State reserves the right to accept or reject any exception offered by a vendor, in part or in its entirety. Lastly, all exceptions can be subject for negotiation between the State and the offeror. Please use the attached EXCEPTIONS FORM to list any exceptions taken to the RFP and submit it with your proposal.

2. Special Provisions, PAGE 17 paragraph 19 titled EXCEPTIONS.

QUESTION: Is an exception to a mandatory requirement allowed?

ANSWER: An offeror may take exception to a mandatory requirement, but there is no guarantee that the State will accept any terms stipulated by the offeror. The State must consider the scope of work intended for the contract, and the ability of the vendor to meet the State's needs. Please use the attached EXCEPTIONS FORM to list any exceptions taken to the RFP and submit it with your proposal.

3. Special Provisions, page 14 paragraph 6 titled MOST-FAVORED CUSTOMER, paragraph reads as follows:

6. MOST-FAVORED CUSTOMER:

The contractor shall not offer to others prices lower than those provided in the contract, or if lower prices are offered they must also apply to the subject contract.

REQUEST: We object to the MOST-FAVORED CUSTOMER requirement. We request the MOST-FAVORED CUSTOMER requirement be removed in its entirety. At a minimum the State should insert a phrase in the requirement shown in underlined blue text below:

The contractor shall not offer to others under contract with same requirements, prices lower than those provided in the contract, or if lower prices are offered (under contract with same requirements), they must also apply to the subject contract.

ANSWER: The State will not remove this stipulation from the contract.

4. Special Provisions, page 17 and 18, paragraph 20 titled MANDATORY USAGE REPORT, we have questions regarding certain fields on the report;

QUESTION 1: Is Agency Name or School District the same thing as the current "Account Names" under the State's current Fuelman account structure? If not, can the Account name on the Fleet Card account match this required field name?

ANSWER 1: Agency Name or School District is the name at the highest level of the Department, ie: Dept. of Transportation, Christina School District. It

would be up to the Dept or District how they would want their accounts set up based on how they control their budgets.

QUESTION 2: What is "Division or Name of School" under the current Fuelman account structure, is this a department under an existing account or a separate account altogether?

ANSWER 2: Division or Name of School breaks down to the next level the name of the account within the Department, ie: Division of Parks and Recreation comes under the Department of Natural Resources & Environmental Control. This is done for budgeting purposes and each division has a separate budget out of that Department.

QUESTION 3: Does the "Budget Code" on the report typically tie to the "Agency Name or School District" or to the "Division or Name of School"

ANSWER 3: The Budget Code ties directly to the each Agency's Division or Name of School. Attached is a complete copy of the Mandatory Usage Report, which includes instructions. For more information on budget codes, please see the "Budget Codes" tab on the usage report file.

QUESTION 4: The monthly usage report example seems to be some kind of generic report that doesn't work with the fuel contract. Many columns on the report are new in addition to the above questioned items, such as Contract Item Number, Cost Each, and even Item Description are not currently provided and have never been required. Please confirm that all these fields will definitely be required.

ANSWER 4: The monthly usage report is a generic report, but it is intended to be used for all contracts. Not all vendor information can be translated to "fit" into the report format. For example, "contract item number" may not be appropriate, but "cost each" can be interpreted as transaction cost. "Item Description" is simply the description of the good or service provided to the agency, division or school.

5. Special Provisions, page 21, paragraph 33 titled METHOD OF PAYMENT, under item 33.c. the RFP reads as follows:
 - c. The agencies or school districts using this award will authorize and process for payment each invoice within thirty (30) days after the date of receipt of a correct invoice. The State of Delaware intends to maximize the use of the P-Card for payment for goods and services provided under contract. Vendors shall not charge additional fees for acceptance of this payment method and shall incorporate any costs into their proposals. Additionally there shall be no minimum or maximum limits on any P-Card transaction under the contract. While it is the State's intention to utilize the P-card payment method the State reserves, at its discretion, the right to pay by ACH/ ACI or check. Should a bidder wish to provide a financial incentive to not process payment by P-Card in their proposal, they are to complete the bid documents clearly outlining any incentives for alternative payment methods they are willing to accept.

SUGGESTION: Accepting credit card (P-Card) payment of invoices imposes a direct expense on the Vendor of approximately 3% (the typical credit card payment processing fee imposed by credit card processing companies). With gasoline approaching \$3.00 per gallon, this is an expense of approximately \$.09 per gallon to the Vendor accepting credit card

payment of invoices. With the unknown future cost of crude oil and refined products and possible increase of fuel prices to more than \$5 per gallon, the credit card processing cost to the Vendor could be as much as \$0.15 per gallon causing huge risk of losses to the Vendor. For these reasons the State should abandon the idea of paying for vehicle motor fuel with a P-Card or it should allow the Vendor to impose a credit card payment processing fee.

ANSWER: If you choose to take exception to this term, please submit on the EXCEPTIONS FORM and include with your proposal. There is also space on the EXCEPTIONS FORM to offer your suggestion/solution.

6. Page 27, INTRODUCTION, A. PURPOSE, third paragraph. This paragraph includes the following sentence:

A mandatory requirement will be tasking the successful offeror with the "migration" of current driver and vehicle information to their system, including mailing pin numbers to the individual driver's home address, at no cost to the State and said participant mailing shall be initiated at least 30 days prior to contract inception. This migration must occur without disruption to the daily activities and duties of State workers.

REQUEST: We request that Vendor not be required to mail pin numbers to State employee home addresses. It is outside the scope of typical State fleet card contract for the Vendor to have to maintain a database of home addresses for employees and to be expected to mail items of any sort to home addresses. We request all communications occur with the responsible Agency at that Agency's appropriate business address. The agency fleet managers or coordinators should distribute pin numbers to its employees through normal internal communications processes.

ANSWER: If you choose to take exception to this term, please submit on the EXCEPTIONS FORM and include with your proposal. There is also space on the EXCEPTIOMS FORM to offer your suggestion/solution.

7. Page 27, INTRODUCTION, A. PURPOSE, fifth paragraph. This paragraph reads as follows:

As a mandatory condition for award of this contract, the successful bidder will be required at minimum, to identify and provide at least one (1) E85 pump, centrally located, by direct ownership or through contract obligation, in each of Delaware's three counties. These alternative fuel pumps will be part of the overall debit/credit card system with the fuel cost, identified by type, billed as part of each billing period. The size of the tank at each of the three sites will be no less than 2500 gallons. The successful bidder should also seriously consider making these pumps available to the general public to help defray the installation costs. If at least one (1) E85 distribution point is not available in each of Delaware's three (3) counties, offers must include a timeline for availability of this fuel, not to exceed nine months from date of contract award. The state shall receive a 5% total billing credit for each month the vendor is not in total compliance with this requirement across all accounts held under this contract.

REQUEST: We requests that this paragraph be removed in its entirety or be substantially re-written. Fleet card providers like the two of us represented at the mandatory pre-bid meeting do not own gas stations and do not install tanks at retail stations. We cannot contractually require a card accepting retail

merchant to install tanks and pumps for E85. This is outside the normal scope of a fleet card program. We suggest the State install E85 tanks on its properties and perhaps require us as bidders to either supply the E85 on consignment or provide Memo Billing capability for accessing the fuel. We can provide on-site automation equipment (card readers) for controlling an onsite tank and pump system and would be willing to offer this to the State.

ANSWER: This section will not be removed or reworded. The vendor may take exception to this issue in their response to the State. If you choose to take exception to this term, please submit on the EXCEPTIONS FORM and include with your proposal. There is space on the EXCEPTIONS FORM to offer your suggestion/solution.

QUESTION: Exactly how would the State calculate the 5% total billing credit for each month the vendor is not in total compliance? If Proposer refuses to agree to this penalty in its RFP response, will its proposal be denied outright?

ANSWER: The 5% total billing credit is exactly as stated; a 5% discount of the total billed by the vendor for the month. As discussed prior, and at the pre-bid meeting, an offeror may take exception to any provision within the contract, and each exception will be evaluated relative to an offeror's ability to meet the State's needs.

8. Page 27, INTRODUCTION, A. PURPOSE, last paragraph. This paragraph reads as follows:

Also, as a mandatory condition for award of this contract, the successful bidder will be required at minimum, to identify and provide B-20 Biodiesel pumps, one (1) each centrally located, in New Castle and Kent Counties, and two (2) sites available in Sussex County. These B20 Biodiesel distribution points can be company owned and operated or independently contracted to provide access to said fuel. These alternative fuel pumps will be part of the overall debit/credit card system. Bidders will include a timeline for availability of this fuel, not to exceed nine months from date of contract award. The state shall receive a 5% total billing credit for each month the vendor is not in total compliance with this requirement across all accounts held under this contract.

REQUEST: We requests that this paragraph be removed in its entirety or be substantially re-written. Fleet card providers like the two of us represented at the mandatory pre-bid meeting do not own gas stations and do not install tanks at retail stations. We cannot contractually require a card accepting retail merchant to install tanks and pumps for B20. This is outside the normal scope of a fleet card program.

ANSWER: This section will not be removed or reworded. The vendor may take exception to this issue in their response to the State. If you choose to take exception to this term please submit on the EXCEPTIONS FORM and include in your proposal. There is also space on the EXCEPTIONS FORM to offer your suggestion/solution.

QUESTION: Exactly how would the State calculate the 5% total billing credit for each month the vendor is not in total compliance? If Proposer refuses to agree to this penalty in its RFP response, will its proposal be denied outright?

ANSWER: The 5% total billing credit is exactly as stated; a 5% discount of the total billed by the vendor for the month. As discussed prior, and at the pre-bid

meeting, an offeror may take exception to any provision within the contract, and each exception will be evaluated relative to an offeror's ability to meet the State's needs.

9. Memo Billing Sites of Delaware DOT (B20). The Delaware DOT has installed its own tanks, pumps and card readers for B20. The card readers dial our systems for processing and tracking of transactions under what we call the Memo Billing program. We notice the RFP does not address these Memo Billed locations.

ANSWER: Failure to list DeIDOT's Memo Billing program was an oversight by the State. GSS – Contracting was not made aware of the negotiated modification to the Fuel Management contract prior to the posting of the new RFP.

DeIDOT has since provided an overview, and a list of their requirements for State owned facilities. The DeIDOT specifications will be posted within this RFP Question and Answer Addendum. These specifications will be made part of the RFP proposal and will need to be specifically addressed in order to be considered for the contract.

10. Page 31, item D. CRITERIA AND SCORING. The criteria and scoring is too weighted on E85 and B20 sites. There is more weight on E85/B20 than on Price, which is abnormal and seems inappropriate.

REQUEST: We requests that the State move some of the weight off of E85 and B20, perhaps place more weight on Price.

ANSWER: The criteria and scoring will not be changed for this RFP. The heavily weighted scoring reflects the importance of E85 and B20 sites are for the State's future needs.

11. Page 32, item 1. PRICING STRUCTURE. The first paragraph reads:
Any proposal must discuss the price to be charged for fuel. At present, the State is familiar with auditing a daily Philadelphia Harbor Index as posted by O.P.I.S. If possible the State would prefer to use this index either on a daily or weekly basis.

REQUEST: The primary applicable OPIS Rack utilized by retailers in Delaware is the Wilmington, Delaware Rack. This might should be acknowledged or changed in the RFP where it mentions the Philadelphia Harbor Index. Pricing today is based on the refiner rack price where fuel is pulled from.

ANSWER: The Pricing Structure paragraph will remain as stated. The State is asking for the price to be charged for fuel, but it does NOT mandate that a certain price or benchmark be used. The State is stating a preference.

Any benchmark provided by an offeror will be reviewed by the State, and evaluated to ensure that the prices supplied provide a highly traded, well utilized market on which to derive price.

12. Page 32, item 1. PRICING STRUCTURE. The fourth paragraph reads:
If you choose as an index a discount off the retail posting, you will be required to quote the net price for each location should they differ.

QUESTION: What does the phrase "net price" mean (what all needs to be netted out of the retail price?)

ANSWER: Net price means, just the rack price (or alternative pricing method you choose) without taxes, as stated in #8 Tax Exemption of the RFP.

QUESTION: What does the phrase “should they differ” mean?

ANSWER: “Should they differ” means if the prices from retailer to retailer are different, the state will need daily indexes by retailer or location.

QUESTION: So if Proposer offers a retail pricing structure, must it provide a list of sites with the Average Retail Price of just regular unleaded and diesel fuel? And, must that average price for unleaded and diesel is for the day of Tuesday, May 25th as well?

ANSWER: Yes, a list of sites with regular unleaded and diesel will need to be provided. The request for average price on May 25 is to use for comparison purposes. The more information you can provide, the better.

QUESTION: Verify that Diesel retail price is to be provided?

ANSWER: Yes, please provide retail price for diesel. The more information you can provide, the better.

REQUEST: The State and other Users under the contract overall usage of diesel is significant. The State should provide clarification that Diesel Prices must be quoted. Prices of Diesel should be included in the evaluation of price.

ANSWER: Pricing is a part of the evaluation criteria worth 20 points. We will be evaluating price as a whole, line by line, or whatever way is in the best interest of the State.

13. Page 32, item 1. PRICING STRUCTURE. The fifth paragraph reads:

NOTE: VENDOR MUST PROVIDE INFORMATION REGARDING ANY PRICE DIFFERENTIAL (DISCOUNTS) FOR ELECTRONIC PAYMENT.

QUESTION: Please describe how the State envisions paying electronically?

ANSWER: When the State refers to electronic payment, the State is referring to ACH payment sent to the vendor’s account.

QUESTION: Assuming it is an ACH initiated by the State, will the State send a single ACH payment covering dozens of invoices or will each account (invoice) be ACH’d separately?

ANSWER: It is the State’s intention to send single ACH transactions to the contracted vendor, but the State reserves the right to segregate or divide transactions as it deems necessary. Additionally, process delays by individual agencies may require subsequent transactions to be processed to ensure timely payment to the vendor.

14. Page 33, item 2. DISPENSING LOCATIONS. The fourth bulleted item reads:

-List sites, at least one (1) per county, on the evacuation route, that remain operational, even during loss of power, during an emergency and describe in detail what redundant systems are in place to ensure delivery of fuel.....

QUESTION: Would a list of sites that have emergency generator power be sufficient?

ANSWER: To comply with the state’s requirements, the vendor needs to identify sites, at least one per county, on an evacuation route that will remain operational in an emergency situation, as described in the RFP. The

vendor is encouraged to list all additional locations that can provide fuel in an emergency situation. The provision of additional information may provide better insight into the resources of an offeror, and exemplify a vendor's commitment to providing services for the State and its citizenry.

QUESTION: Confirm which highways are considered "the evacuation route"? Would sites with emergency generator power but not on the evacuation route need to be listed (if any).

ANSWER: Please refer to the following site to access maps for evacuation routes:

http://deldot.gov/information/projects/tmt/evac_map.shtml

Since multiple evacuation routes exist for each county, a location on a "primary" evacuation route will have greater value than a supplier location on a secondary route, if it is available. Additionally, by supplying a more comprehensive list of emergency use locations will add value to an offeror's bid submission package.

15. Page 33, item 2. DISPENSING LOCATIONS. The fifth and last bulleted item reads:
-Certify the ability to provide, at least one (1) tanker truck per county, in an emergency, to support evacuation operations at the discretion of state emergency officials. Also please describe, in detail, how your organization would initiate the positioning of this at the request of the State.

REQUEST: Fleet Card providers such as those attending the mandatory pre-bid meeting do not operate tanker trucks. DeIDOT representatives mentioned they have their own tanker truck plan during emergencies. We request that this entire paragraph be removed from this RFP. If the State requires an emergency fuel supply plan and contract then it should do a separate RFP for these services with very detailed specifications for the contractor. Emergency fueling after a disaster can be a tremendous task with great expense, logistics and detailed planning. This is outside the normal scope of services provided by a fleet card provider.

ANSWER: This paragraph will not be removed from the RFP. While the State has prepared for a variety of emergency situations, having redundant provisions in place safeguards all people present who are required to evacuate. If you choose to take exception to this term please submit on the EXCEPTIONS FORM and include in your proposal. There is also space on the EXCEPTIONS FORM to offer your suggestion/solution.

16. Page 34, item 4. CARDS. As discussed at the mandatory pre-proposal meeting, several larger agencies of the State require and use a pre-embossed card program with separate custom card designs for DeIDOT and Fleet Services. A large deck of cards are provided to each that are pre-embossed with card numbers but no account name, vehicle description or vehicle number. The Agencies turn on the cards, assign them to vehicles via web and are able to distribute cards immediately. Additionally, some agencies use a traditional fleet card program that is not "pre-embossed", but ordered and embossed with account name, vehicle description and vehicle number. These program requirements are not clearly defined in this section and probably should be addressed via amendment.

ANSWER: Fleet Services only requires the card # to be embossed. The Fleet Services logo is to be printed on the card. Del-DOT has their own logo that they will require. We are uncertain what the other agencies would require.

17. Page 36, item 10. CONTRACT TRANSITION. The second sentence reads: The vendor must be able to distribute pin numbers to individual drivers, by US mail, in time for go-live.

REQUEST: This is a repeat of Question/Item 6 above...we request that Vendor not be required to mail pin numbers to individual State employee home addresses. See our position in #6 above.

ANSWER: If you choose to take exception to this requirement, please submit on the EXCEPTIONS FORM and include in your proposal. There is also space on the EXCEPTIONS FORM to offer your suggestion/solution.

18. At the pre-bid meeting, it was determined that there were additional requirements regarding integration of the fuel card data with DelDOT's bulk fuel sites. Will this be included within the requirements? If so, please answer the following questions: how many sites? how many gallons/month? how many transactions/month? what type of equipment (include both hardware and software information) and whether the sites have phone line capabilities (i.e. can they dial out for authorization)?

ANSWER: Following the question and answer summary, there will be a statement provided by DelDOT providing a summary of operations for their state-owned tanks. Additionally, DelDOT has provided a spreadsheet listing the location and size of the tanks, where card services will be required, and several location improvements.

19. At the pre-bid meeting, the State provided additional information on card design and embossing requirements. How many different card designs are used within the State contract? What does the State want (or not want in some cases) embossed on the cards?

ANSWER: Fleet Services, the primary user of the contract, only requires the card # to be embossed, but also that their logo be printed on the card. DelDOT will require DelDOT requires their own logo on their cards. We are unsure of other agency requirements.

20. On Page 13, Item #2 contract Requirements, it states that school districts, political subdivisions or Volunteer Fire Company have access to this contract. Does the State have any information regarding the opportunity these entities represent (i.e. number of vehicles they may have, the number of cards they may use, the gallons they consume, etc.) that could be taken in consideration when pricing this proposal?

ANSWER: Government Support Services does not currently capture or track the any of the data you are requesting regarding the additional entities that may access the contract. In the event any of these additional entities are

interested in joining the contract they will be instructed to contact the successful vendor so the correct information could be obtained prior to making arrangements for being added to the contract.

21. On Page 34, Item #4, Cards, it states that vendor must provide a “supply of cards” for the state to keep and assign as needed. Please describe what these supply of cards are used for, as well as whether they are assigned to anything in our system (such as a vehicle asset? or a location?) or simply an account? What is the purpose of these cards?

ANSWER: After the initial distribution of cards to its drivers, Fleet Services will require 500 sets of cards (two cards per account) that are meant to be kept as a supply of cards. These cards will remain inactivate and unassigned until Fleet sees fit to distribute.

This card supply is intended to serve as a backup to the cards already issued. For example, backup cards will be provided for new vehicle added to the Fleet, to replace lost, stolen or damaged cards, or for any other reason that Fleet sees fit. Additionally, the backup card supply, similar to the originally distributed cards, will be restricted to the purchase of fuel and oil only. No additional purchase authority will exist for the backup card supply (i.e. no roadside assistance, no mechanical work, etc.).

22. On Page 34, Item #4, it states that vendor must have “ability to provide one card bank with sub categories for all accounts”. Can you explain the meaning of “card bank” and when you speak of sub categories, are you speaking of sub accounts, or something different?

ANSWER: When the State refers to a card bank, the State intended to refer to a main card account, which has the ability to be divided into subaccounts. Subsequently, it is possible that individual departments or agencies may ask the vendor to divide up these subaccounts into smaller accounting groups for better usage visibility, as each agency deems necessary.

B. DeIDOT OWNED TANK SPECIFICATIONS

Delaware Department of Transportation (DeIDOT) Owned Tanks and Fuel

Overview

DeIDOT has above ground Fuel Tanks at their maintenance facilities across the state containing B-20 Bio-Diesel and several locations containing Unleaded Gasoline (See attached Spreadsheet). Tank sizes range from 4,000 gallons to 10,000 gallons. All fuel in these tanks is being purchased and maintained by the Department under separate state contracts. All locations are equipped with Fuelmaster Card Reader Systems that are currently operational with our current fuel card contracted vendor.

Data Tracking

The purpose for this specification is to provide DeIDOT with a fuel transaction report, as described in other locations of this contract, from our tank locations.

At a minimum, we need a report that tracks the following information:

- Date and Time
- Users Pin Number
- Location ID Number
- Vehicle tag number/unit number
- Type fuel pumped
- Gallons of fuel pumped

The reports shall be supplied to the Department, on a daily basis, in an Excel format for verification and sorting purposes.

Card Compatibility with Equipment

Any additional equipment needed by the card provider such as modems, special phone lines, adapters, etc. to make the Fuelmaster system read and operate with their specific card will be the responsibility of the Fuel Card Vendor.

Pricing Structure

For the purpose of this bid we are requesting a transaction price for each gallon of fuel pumped at DeIDOT owned facilities to provide the data as requested in other sections of this contract. The State is currently charged \$0.025 per gallon to cover the transaction fees associated with pumping fuel from the DeIDOT owned facilities.

C. ATTACHED EXCEL FILES

All Excel files can be found by going to the following site:

<http://www.gss.omb.delaware.gov/bids.shtml>

Within the bid solicitation for Fuel Management, under Addendum # 2, each of the following reports can be downloaded.

- i. DeIDOT Tank Locations
- ii. DeIDOT Requested Report Sample (provided on a daily basis)
- iii. Vendor Usage Report
- iv. Exceptions Format

All other contract terms and conditions remain the same.