STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET

April 25, 2014

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: DENNIS J SMITH
STATE CONTRACT PROCUREMENT OFFICER
302-857-4544

SUBJECT: **AWARD NOTICE – Addendum #7 (effective June 15, 2019)**
CONTRACT NO. GSS14503-BIODIESEL
BIODIESEL – B20 and B5 FUELS

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OF
KEY CONTRACT INFORMATION

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GOVERNMENT SUPPORT SERVICES – CONTRACTING
100 ENTERPRISE PLACE – SUITE 4 – DOVER, DE 19904-8202
PHONE: (302) 857-4550 – FAX: (302) 739-3779 – GSS.OMB.DELAWARE.GOV

KEY CONTRACT INFORMATION

1. MANDATORY USE CONTRACT

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REF: Title 29, Chapter 6911(d) Delaware Code. Every state department and agency within the Executive Branch and Judicial Branch of the state government shall procure all material, equipment and nonprofessional services through the statewide contracts administered by Government Support Services, Office of Management and Budget. Delaware State University, Delaware Technical and Community College, the operations funded by Public School Districts, Delaware Transit Corporation, the Legislative Branch and the Board of Pension Trustees and their consultants are specifically exempted from the requirements of this subsection.

2. CONTRACT PERIOD

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Each contractor's contract shall be valid for a **two (2) year** period from **May 15, 2014** through **May 14, 2016**. Each contract may be renewed for three (3) additional one (1) year period through negotiation between the contractor and Government Support Services. Negotiation may be initiated no later than ninety (90) days prior to the termination of the current agreement.

Addendum # 1 extends this contract one (1) additional year through May 14, 2017, with the below price changes. All other terms and conditions remain the same
Addendum #2 updated vendor contact information for PAPCO, Inc.
Addendum # 3 extends this contract one (1) additional year through May 14, 2018, under the same terms, conditions and pricing.
Addendum # 4 extends this contract one (1) additional year through May 14, 2019, under the same terms, conditions and pricing.
Addendum #5 updates the Hazardous Substance Cleanup Act tax rate effective January 1, 2019.
Addendum # 6 extends this contract one (1) additional month through June 14, 2019, under the same terms, conditions and pricing.
Addendum # 7 extends this contract one (1) additional month through July 14, 2019, under the same terms, conditions and pricing.

3. VENDORS

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PAPCO Inc.
2 New Road, Suite 311
Aston, PA 19014

Contact: Gary Kligos
Phone: 610-361-8000
Fax: 610-361-8924
Email: Gary.Kligos@PAPCO.com

FSF # 00000149945

4. SHIPPING TERMS

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F.O.B. destination; freight pre-paid.

5. DELIVERY AND PICKUP

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Delivery to eligible state agencies, municipalities, school districts and volunteer fire companies shall be on a "will call" or "automatic delivery" basis as required by the individual agency.

6. PRICING

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Prices shown in the table below are the delivery charge/discount that will be charged for each gallon delivered to the ordering agency. (Price is exclusive of taxes, except for some taxes that are not able to be legally waived. No other fuel delivery charges shall be charged to the ordering agency).

B20 FUEL PRICING: EFFECTIVE May 15, 2016

NEW CASTLE COUNTY		
Tank "A" 2,000 Gallons & Up		
Vendor	**Price Structure**	**B20**
PAPCO	**Charge per Gallon**	**$0.1133**
Tank "B" Up to 1,999 Gallons		
Vendor	**Price Structure**	**B20**
PAPCO	**Charge per Gallon**	**$0.7272**

KENT COUNTY		
Tank "A" 2,000 Gallons & Up		
Vendor	**Price Structure**	**B20**
PAPCO	**Charge per Gallon**	**$0.2876**

SUSSEX COUNTY		
Tank "A" 2,000 Gallons & Up		
Vendor	**Price Structure**	**B20**
PAPCO	**Charge per Gallon**	**$0.2579**

B5 FUEL PRICING: EFFECTIVE May 15, 2016

NEW CASTLE COUNTY		
Tank "A" 2,000 Gallons & Up		
Vendor	**Price Structure**	**B5**
PAPCO	**Charge per Gallon**	**$0.0460**

KENT COUNTY		
Tank "A" 2,000 Gallons & Up		
Vendor	**Price Structure**	**B5**
PAPCO	**Charge per Gallon**	**$0.0386**

Winter Additive Price:

Innospec 1903, In-line blended at Rack, 1:1,111 ratio = **$0.0495**

Algae Preventative Price:

Innospec 7725, at 1:1,500 ratio = **$0.0495**

Price shall be **net** per gallon F.O.B. delivered to agency storage tanks.

A. **Benchmark OPIS Floating Price**:

Biodiesel – B20:

Prices quoted for the Biodiesel – B20 fuel shall be on a per gallon basis. The price shall correspond to the Oil Price Information System (OPIS) posting for **Philadelphia, PA** market as published in the end of the day report, and shall be used for the day of delivery. The OPIS report section to be utilized is titled "OPIS Gross Wholesale B20 SME Biodiesel Prices", and the priced used will correspond to the clear Average Rack price for the LSN2 Ultra.

Biodiesel – B5:

Prices quoted for the Biodiesel – B5 fuel shall be on a per gallon basis. The price shall correspond to the Oil Price Information System (OPIS) posting for **Philadelphia, PA** market as published in the end of the day report, and shall be used for the day of delivery. The OPIS report section to be utilized is titled "OPIS Gross Wholesale B5 SME Biodiesel Prices", and the price used will correspond to the clear Average Rack price for the LSN2 Ultra.

Government Support Services will reserve the right to switch the referenced benchmark location(s) for any extensions by mutual agreement. Additionally, the benchmark locations may be altered if the market conditions change (i.e. become uncompetitive) and the change can be adequately documented during the contract period.

B. **Calculated Delivery Price**:

The price charged (per gallon) for the B20 and B5 fuel deliveries will be calculated in the following manner:

B20 Price = AVG RACK B20 Fuel Price + Delivery Charge + Cost for Additive (if requested)

B5 Price = AVG RACK B5 Fuel Price + Delivery Charge + Cost for Additive (if requested)

C. **Taxes**:

The invoiced price SHALL be exclusive of all Federal and State taxes, with the exception of the following:

The Delaware Hazardous Substance Clean-Up Tax. This tax is on the Ultra Low Sulfur Diesel Fuel. This tax shall be billed as a separate line item on all invoices. The current rate is (1.5244). This tax is on the total dollar amount of the invoice, not on the per gallon price (1.5244 X amount of invoice)

The Federal Leaking Underground Storage Tank Tax. This tax is on the Ultra Low Sulfur Diesel. This tax shall be billed as a separate line item on all invoices. The current rate is (.0010). This tax is on the per gallon price.

The invoiced price shall be based on the price in effect on the date of delivery. In the event that a delivery is late at the fault of the vendor, the ordering agency at its option may request that the invoice reflect the index price for the promised delivery date rather than the actual delivery date had the index gone up during that time.

Prices will remain firm for the contract term.

ADDITIONAL TERMS AND CONDITIONS

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7. BILLING

The successful vendor is required to "Bill as Shipped" to the respective ordering agency(s). Ordering agencies shall provide at a minimum the contract number, ship to and bill to address, contract name and phone number.

8. PAYMENT

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

9. PRODUCT SUBSTITUTION

All items delivered during the life of the contract shall be of the same type and manufacture as specified unless specific approval is given by Government Support Services to do otherwise. Substitutions may require the submission of written specifications and product evaluation prior to any approvals being granted.

10. ORDERING PROCEDURE

Successful contractors are required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Each agency is responsible for placing their orders and may be accomplished by written purchase order, telephone, fax or computer on-line systems. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

11. PURCHASE ORDERS

Agencies are required to identify the contract number [GSS14503-BIODIESEL on all Purchase Orders (P.O.) and shall complete the same when entering P.O. information in the state's financial reporting system.

12. REQUIREMENTS

This contract will be issued to cover the Biodiesel Fuel requirements for all State Agencies and shall be accessible to any School District, Political Subdivision, Municipality or Volunteer Fire Company.

For a complete list of contract specifications please refer to the original bid solicitation document(s). Any contract specific documentation will be accessible through the hyperlink(s) provided on this contract's details page.

13. HOLD HARMLESS

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

14. NON-PERFORMANCE

In the event the contractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the contractor. Under no circumstances shall monies be due the contractor in the event open market products can be obtained below contract cost. Any monies charged to the contractor may be deducted from an open invoice.

15. FORCE MAJEURE

Neither the contractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government restriction, strike, flood, fire, or

unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.

16. AGENCY'S RESPONSIBILITIES

The Agency shall:

a. Examine and review in detail all letters, reports, drawings and other documents presented by the Contractor to the Agency and render to the Contractor in writing, findings and decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.

b. Give prompt written notice to the Contractor whenever the Agency observes or otherwise becomes aware of any development that affects the scope or timing of the Contractor's services.

c. When an ordering agency first experiences a relatively minor problem or difficulty with a vendor, the agency will contact the vendor directly and attempt to informally resolve the problem. This includes failure to perform by the date specified and any unacceptable difference(s) between the purchase order and the merchandise received. Ordering agencies should stress to vendors that they should expedite correction of the differences because failure to reply may result in an unfavorable rating in the execution of the awarded contract.

d. The state has several remedies available to resolve non-performance issues with the contractor. The Agency should refer to the Contract Terms and Conditions to view these remedies. When a default occurs, the Agency should first review the contract to confirm that the issue is a part of the contract. If the issue is not covered by the contract, the state cannot expect the contractor to perform outside the agreement. If the issue is a part of the contract, the Agency or GSS - Contracting must then contact the contractor, discuss the reasons surrounding the default and establish a date when the contractor will resolve the non-performance issue.

e. If there is a performance deficiency, a Corrective Action Report (CAR) may be used. Complete this form to report concerns with vendors or commodities. Be sure to furnish as much detail as possible. http://gss.omb.delaware.gov/divisionwide/forms.shtml.

17. STORAGE TANK COMPLIANCE CERTIFICATION/DOCUMENTATION:

Agencies are advised that they shall **NOT** sign storage tank compliance certification or any other documentation they receive from the contractor(s). They are to fax a copy of all such items to the Contract Officer immediately upon receipt.

18. SPILLAGE:

All spillages shall be corrected on an immediate basis and to the satisfaction of the ordering agency. All associated costs including materials, labor and any damages resulting from the spillage shall be borne by the contractor. The contractor shall immediately notify the below listed office of all spillages:

Department of Natural Resources and Environmental Control
Division of Air and Waste Management
24 hour Hotline
In State Phone No.: 800-662-8802
In/Out of State Phone No.: (302) 739-5072