

# FUEL OIL AND GASOLINE BID SPECIFICATIONS

## SECTION 1: **Purpose**

The City of Delta Junction (“the City”) intends to enter into a contract with a local vendor for fuel and oil, diesel and gasoline for use by the Delta Junction Fire Department, Public Works, City Hall, Landfill, Library, Community Center, and Ice Arena (including equipment and vehicle fuel). The length of the contract will be through March 31, 2024 and will commence no later than April 1, 2021.

## SECTION 2: **Submission**

Sealed bids will be received at City Hall, 2288 Deborah Street (PO Box 229), City of Delta Junction, Alaska 99737, until 4:00 PM local time, Wednesday, February 24, 2021, at which time they will be opened and publicly read.

Bids should be delivered by the specified opening time of the bid. Bids arriving after the specified hour will not be accepted. All bids must be in writing. Bids by telephone, fax or email will be rejected.

## SECTION 3: **Conditions**

Bidders are advised to become familiar with **ALL** conditions, instructions and specifications governing this bid. Once the award has been made, failure to have read all the conditions, instructions and specifications of this contract shall not be cause to alter the original contract or for vendor to request additional compensation.

## SECTION 4: **Bid Price**

(a) Price quotation shall be submitted on the bid form enclosed (pages 1 and 2). The bid must be quoted at delivered price in dollars per gallon as of the date of the bid and not a rate over a wholesaler’s rack rate. See Section 8(c) below for how adjustments can be made to the contract price due to changes in wholesaler costs.

(b) All prices of the bid shall be delivered. Delivery to any point within Delta Junction, including the Municipal Landfill, shall be without additional charge. Delivery costs, or FOB costs, will be included if required.

(c) The City is exempt from retailers' occupation and sales taxes as provided by the State legislature. The City is also exempt from Federal excise tax. The City will file the proper Federal Excise and State of Alaska Motor Fuel Tax Exemption Certificates.

## SECTION 5: **Specifications**

Unless otherwise directed by the specifications, all material and services will meet standards or requirements of the following specifications. Bidders must indicate if their proposal differs from these specifications.

Fuel Types:

- (1) HEATING / DIESEL #2
- (2) HEATING / DIESEL #1
- (3) 87 OCTANE UNLEADED GASOLINE
- (4) EQUIPMENT FUEL / DIESEL

## SECTION 6: **Delivery**

The Contractor will be required to maintain a "keep-full" supply of fuel oil in the City storage tanks at all times. Diesel and gasoline may be acquired from a Contractor's holding facility as needed.

## SECTION 7: **Discounts**

Cash discounts shall be considered in the evaluation of the bids. Where cash discounts are offered, the discount date shall begin with the invoice date or delivery date to the City, whichever is later.

## SECTION 8: **Payment**

(a) The Contractor will agree to submit to the City no more than one request for payment per month.

(b) The City will pay the Contractor the amount due within thirty (30) days after the Contractor submits a bill for fuel provided or services performed as required by the contract and approved by the City Council.

(c) After the award of the bid and execution of the contract, a price increase/decrease shall be authorized to reflect only the exact increase/decrease from the refinery distributor. Prior to the City authorizing any change in the bid price, the Contractor must submit documentation from their wholesaler that a change of price has occurred. This notice will be faxed to City Hall at 907-895-4375 or emailed to City Finance Officer Stephanie Erickson at [serickson@deltajunction.us](mailto:serickson@deltajunction.us) .

## **SECTION 9: Termination of the Contract**

The obligation to provide services under this agreement may be terminated by either party upon seven (7) days written notice in the event of a substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party.

## **SECTION 10: Indemnification**

The Contractor agrees to indemnify, hold the City harmless, and defend the City from any claims or liabilities resulting from the Contractor's work and/or workmanship. The Contractor must furnish the City certificates of insurance attesting to the Contractor's possession of such insurance. The City will execute the Contract upon, and not before, the receipt of these certificates of insurance, including general liability insurance limits of three million dollars (\$3,000,000.00) per occurrence and five million dollars (\$5,000,000.00) aggregate and including automobile liability insurance limits of one million dollars (\$1,000,000.00) combined single limit. This liability insurance policy shall remain in effect during the life of this contract.

## **SECTION 11: Notice of Minimum Workers' Compensation Insurance**

(a) Pursuant to the provisions of AS 23.30.045, Alaska Workers' Compensation Act, no contract may be awarded by the City unless a Contractor has submitted to the City proof, furnished by the carrier, of current coverage by workers' compensation insurance from an insurance company or association authorized to transact the business of workers' compensation insurance in this state or proof of self-insurance or non-applicability. The Contractor shall keep this workers' compensation insurance policy in effect during the life of the contract.

(b) When the City receives notice that the Contractor's workers' compensation insurance policy or general liability insurance has expired or terminated without being replaced by a comparable policy, the City will terminate the contract with the Contractor. This sub-section does not limit the cause of action or remedies which the State or the City may have against the Contractor.

## **SECTION 12: Responsibilities of Contractor for Damages and Compliance with Laws**

When or where any direct or indirect damage or injury is done to City property by or on account of any act, omission, neglect or misconduct in the execution of the work, or in consequence of the non-execution thereof by the Contractor, the Contractor shall restore, at the Contractor's expense, such property to condition similar or equal to that

existing before such damage or injury, all in an acceptable manner approved by the City.

### **SECTION 13: Standards**

Unless otherwise directed by the specifications, all materials and services provided will meet standards or requirements that would normally be anticipated in common practice. The bidder guarantees that all applicable Federal, State and local laws will be obeyed in connection with this quotation. Failure to comply with these bid specifications, either before or after the bid award, shall invalidate the sales agreement.

### **SECTION 14: Inspections**

The City shall have the right to inspect any material specified herein. Equipment supplies or services that fail to comply with the specifications herein regarding design, material or workmanship are subject to rejection at the option of the City. Any material rejected shall be removed from the premises of the City at the expense of the vendor.

### **SECTION 15: Additional**

The manufacturer of the proposed materials or equipment may be required to clarify their bid or acknowledge by written confirmation that the minimum requirements of the specifications are included in the bidder's proposal before the award of the bid.

### **SECTION 16: Reservations**

The City Council of the City of Delta Junction reserves the right to reject any and all bids, to accept only part of a bid, to waive any irregularities in a bid, and accept a bid other than the lowest bid when the City Council determines it is in the best interest of the City, following review of the facts and circumstances, to do so. Alterations or modifications to the terms or conditions of the Fuel Oil and Gasoline Bid Specifications shall be considered non-responsive and therefore rejected from qualification.

### **SECTION 17: Negotiations**

The City also reserves the right to negotiate with the lowest responsive bidder in the event all bids exceed the project budget, and to award a negotiated contract to the lowest responsive bidder without further competitive bidding.

## **SECTION 18: Acceptance**

After the acceptance and award of the bid by the City, and Notice of Award letter executed by a proper officer of the City of Delta Junction, these instructions to bidders, including the specifications, will constitute the legal contract between the City of Delta Junction and the successful bidder.

## **SECTION 19: More Information**

Call or write to:

City of Delta Junction  
P.O. Box 229  
Delta Junction, Alaska 99737  
(907) 895-4656  
(907) 895-4375 fax

For Reference:      2019 fuel usage approximately 22,000 gallons  
                                 2020 fuel usage approximately 28,000 gallons