

Meeting Date: 6/24/2014

Report Type: Consent

Report ID: 2014-00461

Title: Cooperative Purchase Agreement: E85 Fuel for Fleet Vehicles and Equipment (Reviewed 6/17/2014)

Location: Citywide

Recommendation: Pass a Motion 1) approving the use of the State of California cooperative purchase agreement with Pinnacle Petroleum, Inc. (Contract No. 1-14-91-02-A) for the purchase of E85 fuel in a total amount not to exceed \$1,857,650 through April 30, 2017 or until the contract is no longer available for use; and 2) authorizing the City Manager or the City Manager's designee to execute the purchase specified above provided that sufficient funds are available in the budget adopted for the applicable fiscal year.

Contact: Iseña Garcia, Program Specialist, (916) 808-1163; Keith Leech, Fleet Manager, (916) 808-5869, Department of General Services

Presenter: None

Department: General Services

Division: Fleet Management

Dept ID: 13001211

Attachments:

1-Description/Analysis

2-Contract

City Attorney Review

Approved as to Form
Kourtney Burdick
6/16/2014 10:15:37 AM

Approvals/Acknowledgements

Department Director or Designee: Peter Jensen - 6/5/2014 4:20:14 PM

Description/Analysis

Issue Detail: The Department of General Services (DGS), Fleet Management Division, has ongoing requirements to purchase E85 fuel for City vehicles and equipment.

Policy Considerations: The recommendations in this report are in accordance with City Code Section 3.56.240.

Economic Impacts: None

Environmental Considerations:

California Environmental Quality Act (CEQA): No environmental review is necessary because the recommendations in this report involve the purchase of supplies and are not considered to be a project in accordance with Section 15378(b)(2) of the CEQA Guidelines.

Sustainability: The recommended E85 purchase is consistent with the Fleet Sustainability Policy adopted by City Council on February 16, 2010 (Resolution No. 2010-083) by supporting emissions reductions through the use of alternative fuels.

Commission/Committee Action: None

Rationale for Recommendation: The DGS, Fleet Management Division, has ongoing requirements to purchase E85 fuel for City vehicles and equipment. On May 1, 2014, the State of California executed a new fuel contract with Pinnacle Petroleum, Inc. for a three-year term. Fleet Management recommends authorization for the purchase of E85 fuel in an amount not to exceed \$1,857,650 through April 30, 2017 or until the contract is no longer available for use.

After reviewing the available purchase options, Fleet Management has determined that using the cooperative purchase agreement with the State of California and Pinnacle Petroleum, Inc. represents the most advantageous purchasing strategy. The contract was competitively bid statewide, and the State receives greater discounts from the vendor, due to a higher purchase volume, than the City would receive if issuing its own bid.

In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement approach increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protest, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through a cooperative purchasing program.

The City has used both regional and national cooperative purchase agreements to complement its own contracting initiatives. Cooperative purchasing enables City departments to evaluate a broader range of contracting opportunities and to share resources with other jurisdictions. Cooperative purchasing also leverages internal and external resources to maximize cost savings opportunities for the City.

Financial Considerations: The recommended purchase of E85 fuel will be made from the DGS operating budget (Fleet Fund, Fund 6501) and charged to the operating budgets of the using

departments. Purchases are subject to funding availability in the adopted budget of the applicable fiscal year.

In determining the estimated fuel expenditure, Fleet Management staff reviewed the expenditure history and considered future needs. E85 fuel usage has increased within the last couple of years due to the acquisition of newer vehicles with flex fuel capabilities and city-wide promotion of E85 usage. The table below provides the estimated expenditure amounts.

Estimated Expenditures – E85 Fuel				
Vendor	FY2014/15	FY2015/16	FY2016/17	Total
Pinnacle Petroleum, Inc.	\$589,566	\$618,527	\$649,557	\$1,857,650

Local Business Enterprise (LBE): LBE program requirements have been waived for the recommended purchase because Fleet Management has determined that using the cooperative purchase agreement with the State of California and Pinnacle Petroleum, Inc. represents the most advantageous purchasing strategy. The contract was competitively bid statewide, and the State receives greater discounts from the vendor, due to a higher purchase volume, than the City would receive if issuing its own bid. Pinnacle Petroleum, Inc. is not a local business enterprise.



Department of General Services
Procurement Division
707 Third Street, 2nd Floor
West Sacramento, CA 95605-2811

State of California
CONTRACT USER INSTRUCTIONS
****MANDATORY****

CONTRACT NUMBER:	1-14-91-02-A
DESCRIPTION:	Bulk Gasoline, Diesel #2, Diesel Red dye and Ethanol (E-85)
CONTRACTOR(S):	Pinnacle Petroleum Inc. Super District B (districts 3 & 4) Super District C (districts 6 & 10) Super District E (districts 8 & 9) Super District F (districts 11 & 12)
CONTRACT TERM:	05/01/2014 through 04/30/2017
STATE CONTRACT ADMINISTRATOR:	Brian A. Sims (916) 375-4452 Brian.sims@dgs.ca.gov

The contract user instructions, products, and pricing are included herein. All purchase documents issued under this contract incorporate the contract terms and applicable California General Provisions.

Original signed by,

Brian A. Sims, Contract Administrator

Date: 04/16/2014

Contract Mandatory 1-14-91-02-A Contract User Instructions

1. SCOPE

The State's contract with Pinnacle Petroleum Inc. (Contractor) provides Bulk Gasoline, Diesel #2, Diesel Red dye and Ethanol (E-85) at contracted pricing to the State of California and local governmental agencies in accordance with the requirements of Contract # 1-14-91-02-A. The Contractor shall supply the entire portfolio of products as identified in the contract and will be the primary point of contact for data collection, reporting, and distribution of Bulk Gasoline, Diesel #2, Diesel Red dye and Ethanol E-85 to the State.

The contract term is for three (3) years with an option to extend the contract for two (2) additional one (1) year period or portion thereof. The terms, conditions, and prices for the contract extension option shall be by mutual agreement between the Contractor and the State. If a mutual agreement cannot be met the contract may be terminated at the end of the current contract term.

2. CONTRACT USAGE/RULES

A. State Departments

- The use of this contract is mandatory for all State of California departments.
- Ordering departments must adhere to all applicable State laws, regulations, policies, best practices, and purchasing authority requirements, e.g. California Codes, Code of Regulations, State Administrative Manual, Management Memos, and State Contracting Manual Volume 2 and 3, as applicable.
- Prior to placing orders against this contract, departments must have been granted non-IT purchasing authority by the Department of General Services, Procurement Division (DGS/PD) for the use of this statewide contract. The department's current purchasing authority number must be entered in the appropriate location on each purchase document. Departments that have not been granted purchasing authority by DGS/PD for the use of the State's statewide contracts may access the Purchasing Authority Application at <http://www.dgs.ca.gov/pd/Resources/publications/SCM2.aspx> or may contact DGS/PD's Purchasing Authority Management Section by e-mail at pams@dgs.ca.gov.
- Departments must have a Department of General Services (DGS) agency billing code prior to placing orders against this contract. Ordering departments may contact their Purchasing Authority contact or their department's fiscal office to obtain this information.

B. Local Governmental Agencies

- Local governmental agency use of this contract is optional.
- Local government agencies are defined as "any city, county, city and county, district or other governmental body or corporation, including the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges", empowered to expend public funds for the acquisition of products, per Public Contract Code Chapter 2, Paragraph 10298 (a) (b). While the State makes this contract available to local governmental agencies, each local governmental agency should determine whether this contract is consistent with its procurement policies and regulations.
- Local governmental agencies shall have the same rights and privileges as the State under the terms of this contract. Any agencies desiring to participate shall be required to adhere to the same responsibilities as do State agencies and have no authority to amend, modify or change any condition of the contract.

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- Local governmental agencies must have a DGS agency billing code prior to placing orders against this contract. DGS agency billing codes may be obtained by emailing the DGS billing code contact with the following information:
 - Local governmental agency
 - Contact name
 - Telephone number
 - Mailing address
 - Facsimile number and e-mail address

DGS Billing Code Contact: Eugene.Shemereko@dgs.ca.gov

- C. Unless otherwise specified within this document, the term “ordering agencies” will refer to all State departments and/or local governmental agencies eligible to utilize this contract. Ordering and/or usage instructions exclusive to State departments or local governmental agencies shall be identified within each article.

3. DGS ADMINISTRATIVE FEES

A. State Departments

The DGS will bill each State department an administrative fee for use of this statewide contract. The administrative fee should NOT be included in the order total, nor remitted before an invoice is received from DGS.

Current fees are available online in the Procurement Division Price Book located at: <http://www.dgs.ca.gov/ofs/Resources/Pricebook.aspx>. (Click on “Purchasing” under Procurement Division.)

B. Local Governmental Agencies

For all local government agency transactions issued against the contract the Contractor is required to remit the DGS/PD an Incentive Fee of an amount equal to 1% of the total purchase order amount excluding taxes and freight. This Incentive Fee shall not be included in the agency’s purchase price, nor invoiced or charged to the purchasing entity. All prices quoted to local governmental agency customers shall reflect State contract pricing, including any and all applicable discounts, and shall include no other add-on fees.

4. CONTRACT ADMINISTRATION

Both the State and the Contractor(s) have assigned Contract Administrators as the single points of contact for problem resolution and related contract issues.

Administrator Information	DGS/PD (State Contract Administrator)	Pinnacle Petroleum Inc. (Contractor)
Contact Name:	Brian A. Sims	Liz McKinley
Telephone:	(916) 375 - 4452	(714) 841 - 8877
Facsimile:	(916) 375 - 4613	(714) 841 - 8855
Email:	Brian.sims@dgs.ca.gov	lmckinley@pinnaclepetroleum.com
Address:	DGS/Procurement Division Attn: Brian A. Sims 707 Third Street, 2 nd Floor, MS 201 West Sacramento, CA 95605	Pinnacle Petroleum Inc. Attn: Liz McKinley 7911 Professional Circle Huntington Beach, CA 92648

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5. PROBLEM RESOLUTION/SUPPLIER PERFORMANCE

Ordering agencies and/or Contractors shall inform the State Contract Administrator of any technical or contractual difficulties encountered during contract performance in a timely manner. This includes and is not limited to informal disputes, supplier performance, outstanding deliveries, etc.

For Contractor performance issues, ordering agencies must submit a completed [Supplier Performance Report](#) via email or facsimile to the State Contract Administrator identified in Article 4 (Contract Administration). The ordering agency should include all relevant information and/or documentation (i.e. Purchase documents).

6. CONTRACT ITEMS

All available line items and associated prices are listed on Attachment A, (Super Districts B, C, E, F) Contract Pricing and Additional / Special Charges information.

The State will use the Oil Price Information Service (OPIS) to determine Region Base Market Cost (RBMC). There are a total of six (6) Super Districts represented by the RBMC. The Super Districts are identified by the State delivery areas derived by combination of the typical twelve (12) Caltrans Districts. The RBMC for each Super District will be calculated by the following Super Districts, Region Base Market Cost, OPIS identified as Eureka, Sacramento, Fresno, Los Angeles, Barstow, and San Diego. The Super Districts, Contractor, and Counties are defined as follows:

Super District	Contractor	Caltrans District Combined	Market Base E-85	Market Base OPIS	Counties
B	Pinnacle Petroleum	3 and 4	West Coast	Sacramento	Butte, Colusa, El Dorado, Glenn, Nevada, Placer, Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma, Sacramento, Sutter, Yolo, Yuba, Sierra
C	Pinnacle Petroleum	6 and 10	West Coast	Fresno	Fresno, Kern, Kings, Madera, Tulare, Alpine, Amador, Calaveras, Mariposa, Merced, San Joaquin, Stanislaus, Tuolumne
E	Pinnacle Petroleum	8 and 9	West Coast	Barstow	Riverside, San Bernardino, Inyo, Mono
F	Pinnacle Petroleum	11 and 12	West Coast	San Diego	Imperial, San Diego, Orange

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Contract Cost Structure:

GASOLINE, DIESEL #2, and ETHANOL (E-85) FUELS: The contract cost will be based on two (2) factors: Region Base Market Cost (RBMC) and the Differential Cost. The following formula outlines the contract price to be paid by the ordering agency:

REGION BASE MARKET COST + DIFFERENTIAL = COMPOSITE COST
(Calculated daily by the Contract Administrator using OPIS data) (Provided by the Supplier)

Contract Cost Structure:

DIESEL #2 Red dye: The contract cost is based on three (3) factors: Region Base Market Cost (RBMC) the Differential Cost and (\$0.01) per gallon for Red Dye. The following formula outlines the contract price to be paid by the ordering agency:

REGION BASE MARKET COST + DIFFERENTIAL + .01 per gallon = COMPOSITE COST
(Calculated daily using RBMP for Diesel #2 RD plus .01/gal for RD) (Supplier Provides) (Red Dye)

Note(s):

For the base cost of the Gasoline the State will use the daily "Time of Delivery" "Rack Average" price quoted in the OPIS for product description OPIS GROSS CARFG ETHANOL (10.0%).

For the base cost of E-85 Fuel the State will use the weekly price quoted in the OPIS Ethanol & BioDiesel Information Services Publication under the Key Renewable Fuels Regional Averages section for product description E-85 Racks, West Coast.

For the base cost of the Diesel #2 Ultra Low Sulfur the State will use the OPIS Closing Benchmark File * * OPIS GROSS CARB ULTRA LOW SULFUR DISTILLATE PRICES * * RACK AVE.

For the base cost of the Diesel #2 Red dye, Ultra Low Sulfur the State will use the OPIS Closing Benchmark File * * OPIS GROSS CARB ULTRA LOW SULFUR DISTILLATE PRICES* * Rack AVE plus (01/gal).

7. PUBLICATION POSTING

The Department of General Services, Procurement Division tracks and monitors fuel changes. Procurement Division will prepare fuel charge documents and e-mail to the Contractors, daily of REGION BASE MARKET COST for all fuels.

Procurement Division shall additionally email all end users of the contract the consolidated weekly base prices each Monday or the first working day of the week. The weekly email shall include the daily price changes. The Contractor shall forward a copy of the Procurement Division weekly posting to all delivery locations that have been invoiced for payment to substantiate the accuracy of the base pricing on the invoice. To request the weekly base posting information complete Attachment D, Request for Fuel Rate Information and return/send email to:

Brian.sims@dgs.ca.gov or Eugene.Shemereko@dgs.ca.gov

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8. SPECIFICATIONS

All products offered must conform to the attached State of California Bid Specifications entitled:

- Gasoline, Unleaded Regular # 9130-2387, dated 01/15/2013
- Diesel Fuel, Type 2-D, # 9130-2388, dated 01/15/2013
- Fuel Ethanol E-85 # 9130-2379, dated 01/15/2013

9. PURCHASE EXECUTION

A. State Departments

1) Purchase Documents

State departments must use the Purchasing Authority Purchase Order (Std. 65) for purchase execution. An electronic version of the Std. 65 is available at the Office of State Publishing web site: <http://www.dgs.ca.gov/pd/Forms.aspx> (select Standard Forms).

All Purchasing Authority Purchase Orders (Std. 65) must contain the following:

- Agency Order Number (Purchase Order Number)
- Ordering Agency Name
- Agency Billing Code
- Purchasing Authority Number
- Leveraged Procurement Number (Contract Number)
- Supplier Information (Contact Name, Address, Phone Number, Fax Number, E-mail)
- Line Item number
- Quantity
- Unit of Measure
- Commodity Code Number
- Product Description
- Unit Price
- Extension Price

2) Blanket Purchase Order (BPO)

The use of Blanket Purchase Orders (BPO) against this statewide contract may be permitted but only with prior written approval from the Contract Administrator and meeting the following written guidelines. An executed copy of the BPO must be submitted to the Contract Administrator for approval before it is submitted to the contractor. At a minimum, the following written requirements must be documented on each BPO.

Written Required Guidelines on each BPO:

- The order does not cross into different Fiscal Years
- The order is only used for items on the contract
- The order does not exceed the contract period
- When funds are exhausted a new order is issued
- The order is issued only to one contract supplier

Note: The contractor shall reject and return to originator any BPO submitted without proper approval.

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3) American Recovery and Reinvestment Act (ARRA) - Supplemental Terms and Conditions

Ordering departments executing purchases using ARRA funding must attach the ARRA Supplemental Terms and Conditions document to their individual purchase documents. Departments are reminded that these terms and conditions supplement, but do not replace, standard State terms and conditions associated with this leveraged procurement agreement.

- [ARRA Supplemental Terms and Conditions](#)

Note: Additional information regarding ARRA is available by clicking here to access the email broadcast dated 08/10/09, titled [Supplemental Terms and Conditions for Contracts Funded by the American Recovery and Reinvestment Act](#).

B. Local Governmental Agencies

Local governmental agencies may use their own purchase document for purchase execution. The purchase documents must include the same data elements as listed above (Exception: Purchasing Authority Number is used by State departments only).

C. Documentation

All ordering agencies will submit a copy of executed purchase documents to:

DGS - Procurement Division (IMS# Z-1)
Attn: Data Entry Unit
707 Third Street, 2nd Floor, MS 2-212
West Sacramento, CA 95605-2811

10. ORDERING PROCEDURE

A. Ordering Methods:

Ordering agencies are to submit appropriate purchase documents directly to the Contractor(s) via one of the following ordering methods:

- U.S. Mail
- Facsimile
- Email

The Contractor's Order Placement Information is as follows:

ORDER PLACEMENT INFORMATION		
U.S. Mail	Facsimile	Email
Pinnacle Petroleum Inc. 7911 Professional Circle Huntington Beach CA 92648	(714)841-8855	lmckinley@pinnaclepetroleum.com

Note: When using any of the ordering methods specified above, all State departments must conform to proper State procedures.

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11. MINIMUM ORDER

Minimum delivery quantity shall be seventy percent (70%) of tank capacity for below ground tanks and sixty percent (60%) of tank capacity for above ground tanks. Request for delivery shall state which tank(s) are to be filed at each location. Deliveries for less than the minimum order quantity shall be considered non-contract requirements or, by mutual agreement between the Contractor and the ordering location may be delivered at the contract price plus a "PREMIUM" of not more than ten (10) cents per gallon.

Deliveries for less than the minimum order quantity required for TANK TESTING will be considered non-contract and will not be purchased against this contract.

12. ORDER RECEIPT CONFIRMATION

The Contractor will provide ordering agencies with an Order Receipt Confirmation, via e-mail or facsimile, within 48 hours of receipt of purchase document. The Order Receipt Confirmation shall include the following information:

- Ordering Agency Name
- Agency Order Number (Purchase Order Number)
- Purchase Order Total Cost
- Anticipated Delivery Date

13. DELIVERY SCHEDULES

Delivery for orders placed against this contract shall be in accordance with the following:

A. Locations

Delivery shall be made to the specified locations listed in Attachment B, for Super Districts, (B, C, E, and F). All deliveries made in a tank wagon must be metered. Deliveries are to be made to the location specified on the individual purchase order, which may include, but not limited to inside buildings, high-rise office buildings, and receiving docks.

B. To add/delete/change Delivery Location

To add/delete/change delivery location(s) submit the Attachment C, "Delivery Location Addition Request Form" directly to the State's Contract Administrator.

C. Schedule

Delivery of ordered product shall be completed in full **within three (3) working days** after receipt of an order (ARO). Since receiving hours for each ordering agency will vary by facility, it will be the Contractor's responsibility to check with each facility for their specific delivery hours before delivery occurs. The Contractor must notify the ordering agency within 12 hours of scheduled delivery time, if delivery cannot be made within the time frame specified on the Order Receipt Confirmation.

Contractor is requested to make deliveries in Los Angeles County, Orange County, San Bernardino Metropolitan Area, and San Diego Metropolitan Area during off-peak hours. Off-peak hours are Monday through Friday, 10:00 AM to 4:00 PM.

D. Security Requirements

Deliveries may be made to locations inside secure institutional grounds (such as the California State Prisons) that require prior clearances to be made for delivery drivers. Since security clearance procedures

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for each facility may vary, it will be the Contractor's responsibility for contacting the secure location for security clearance procedures, hours of operation for deliveries and service, dress code, and other rules of delivery.

14. EMERGENCY/EXPEDITED ORDERS and ADDITIONAL CHARGES:

A. Urgent Delivery

Contractor shall make urgent deliveries during regular working hours for minimum delivery requirements within one (1) working day ARO at NO ADDITIONAL COST to the State or local agencies. Urgent deliveries are not anticipated to occur often and should be kept to a minimum by the Ordering

B. Emergency Deliveries

Deliveries requested outside the regular working hours of 8:00 AM to 5:00 PM and State observed holiday's days shall be considered an emergency. Orders may be placed by telephone, followed by a purchase order (Std. 65) sent to the Contractor by facsimile or US mail. Emergency delivery invoice must accompany the fuel invoice for payment of the emergency delivery fee. The emergency delivery charge shall not exceed **\$120.00** per delivery.

C. Demurrage Charge

During normal delivery hours of 8:00 AM to 5:00 PM the Contractor's truck upon arrival shall be admitted to the delivery site without delay. If the Contractor attempts to deliver fuel to a delivery site and the Contractor's truck is detained at the delivery site for reasons such as locked gates, unavailable receiving personnel, etc. caused by the ordering agency the Contractor shall be entitled to Demurrage fee. Demurrage time shall be invoiced separately and supported by appropriate documentation (delivery logs, contact names, etc.). Demurrage time invoice must accompany the fuel invoice for payment of the demurrage fee. The demurrage fee shall not exceed **\$2.50** per minute and not to exceed **\$150.00** per delivery.

D. Trip Charge

During normal delivery hours of 8:00 AM to 5:00 PM the Contractor's truck upon arrival shall be admitted to the delivery site without delay. If the Contractor attempts to deliver fuel to a delivery site and is not admitted to the delivery site for reasons beyond the Contractor's control caused by the ordering agency the Contractor shall be paid a trip charge fee. Trip charge time shall be invoiced separately and supported by appropriate documentation (delivery logs, contact names, etc.). A trip charge fee invoice must accompany the fuel invoice for payment of trip charge fee. The trip charge shall not exceed **\$250.00** per delivery.

E. Standing Time

The State shall be entitled to standing time for the purposes of unloading of not more than one hour at no charge. A charge of **\$1.00** per minute shall be assessed for standing time in which the carrier's equipment is detained through no fault of the carrier, in excess of the one no charge hour. Charged time shall be supported with the appropriate documents. For payment to be processed the standing time billing must accompany, on a separate invoice, the fuel billing. Start time shall begin when the carrier is ready to hook-up to the fuel tank. Standing time shall conclude when carrier disconnects or is finished loading fuel into the tank.

F. Premium for Less Than Minimum Delivery

Minimum delivery quantity shall be seventy percent (70%) of tank capacity for below ground tanks and sixty percent (60 %) of tank capacity for above ground tanks. Deliveries for less than the minimum order quantity shall be delivered at the contract price plus a "PREMIUM" of not more than ten cents (**\$0.10**) per gallon.

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Deliveries for less than the minimum order quantity required for "TANK TESTING" will not be purchased against any contract resulting from this solicitation.

G. Late Delivery

The parties to this agreement acknowledge that the ordering agency shall incur actual damages should the supplier fail to deliver the Bulk Gasoline Diesel #2, Diesel #2 RD and E-85 Fuel as specified in the contract delivery requirements. Late Delivery charges must be supported by appropriate documentation (delivery logs, contact names, EST.). It is agreed that the supplier will pay the Ordering Agency twenty-five **(\$0.25)** cents per gallon per order for late delivery of Bulk Gasoline, Diesel #2, and Diesel #2 RD and E-85 Fuel and the Ordering Agency will make an adjustment to be reflected on the invoice. Normal delivery working hours are 8:00 AM to 5:00 PM Monday through Friday, except State observed holidays.

H. Winterization

Winterization shall be available for purchase from the Contractor during the winter months starting October 1, 2014, throughout April 30, 2017. The purchase is available for life of the contract, including any contract extensions. The purchase of winterization shall be added to Diesel #2 and Diesel #2 RD authorized only by State of California Departments and participating local agencies, at a cost of five cents **(\$0.05)** per gallon.

15. FREE ON BOARD (F.O.B.) DESTINATION

All prices are F.O.B. destination; freight prepaid by the Contractor, to the ordering organization's receiving point. Responsibility and liability for loss or damage for all orders will remain with the Contractor until final inspection and acceptance, when all responsibility will pass to the ordering organization, except the responsibility for latent defects, fraud, and the warranty obligations.

16. SHIPPED ORDERS

All shipments must comply with General Provisions (rev 06/08/2010); Paragraph 12 entitled "Packing and Shipment". The General Provisions are available at:
<http://www.documents.dgs.ca.gov/pd/modellang/GPnonIT060810.pdf>.

17. INVOICING

Ordering agencies may require separate invoicing, as specified by each ordering organization. Invoices will contain the following information:

- Contractor's name, address and telephone number
- Leveraged Procurement Number (Contract Number)
- Agency Order Number (Purchase Order Number)
- Line Item Number
- Item and commodity code number
- Description
- Quantity purchased
- County of purchase
- Contract unit price and extension
- State sales and/or use tax
- Prompt payment discounts/cash discounts, if applicable
- County of purchase
- Totals for each order

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These taxes shall be listed separately on invoices and shall not be a component of the differential price. Any and all Charges, Levies and or Fees not listed above shall be listed a component of the differential price.

All Differential prices quoted shall be: Exempt from:

Federal Excise Tax. State of California will furnish applicable exemption certificate upon request from supplier.

Exclusive of:

State Sales Tax, Local Sales Tax, California Motor Vehicle Fuel Tax, Leaking Underground Storage Tank Tax, Oil Spill Liability Trust Fund Tax.

18. PAYMENT

A. Terms

Payment terms for this contract are net forty-five (45) days. Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government Code Section 927, et seq. Unless expressly exempted by statute, the Act requires State departments to pay properly submitted, undisputed invoices not more than forty- five (45) days after the date of acceptance of goods, performance of services, or receipt of an undisputed invoice, whichever is later.

B. Government Code Section 927.11 (a):

California Prompt Payment Act; In addition to Paragraph 30 "Required Payment Date" of the General Provisions the below also apply:

Except in the case of a contract with a certified small business, a nonprofit organization, or a nonprofit public benefit corporation, if an invoice from a business under a contract with the California Department of Forestry and Fire Protection (CDF) would become subject to late payment penalties during the annually declared fire season, as declared by the Director of Forestry and Fire Protection, then the required payment approval date shall be extended by 30 calendar days. Therefore, the above provides CDF with a payment due date of 45 days plus 30 days for a total of 75 days.

Note: Contractors have the option to reject orders from CDF during fire season.

C. CAL-Card Use

Use of the CAL-Card for payment of invoices is not allowed under this statewide contract.

D. Payee Data Record

Each State accounting office must have a copy of the Payee Data Record (Std. 204) in order to process payments. State departments should forward a copy of the Std. 204 to their accounting office(s). Without the Std. 204, payment may be unnecessarily delayed. State departments should contact the Contractor for copies of the Payee Data Record.

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19. CALIFORNIA SELLER’S PERMIT

The California seller permit number for the Contractor is listed below. State departments can verify that permits are currently valid at the following website: www.boe.ca.gov. State departments must adhere to the file documentation required identified in the State Contracting Manual Volume 2 and Volume 3, as applicable.

Contractor Name	Seller Permit #
Pinnacle Petroleum Inc.	99661168

20. RECYCLED CONTENT

There is no recycled content for this contract.

21. SMALL BUSINESS/DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION

The small business (SB) and disabled veteran business enterprise (DVBE) certifications and percentages for the Contractor(s) and subcontractor(s) are listed below. State departments can verify that the certifications are currently valid at the following website: <http://www.bidsync.com/DPXBisCASB>.

Name	Prime or Subcontractor	OSDS Certification #	SB Percent (%)	DVBE Percent (%)
Semper Fuel LLC	Subcontractor	1445180	25%	N/A

State departments shall confirm with the Contractor the exact percentage amount of SB and/or DVBE for each individual order.

22. ATTACHMENTS

- Attachment A – Contract Pricing & Additional Special Charges (2 pages)
- Attachment B – Delivery Locations for Super Districts (B, C, E & F)
- Attachment C – Delivery Addition/Change Request Form
- Attachment D – Request for Fuel Rate Information
- Attachment(s) – Fuel Specifications:

- Gasoline, Unleaded Regular # 9130-2387, dated 01/15/2013
- Diesel Fuel, Type 2-D, # 9130-2388, dated 01/15/2013
- Fuel Ethanol E-85 # 9130-2379, dated 01/15/2013

Super District - B Counties (Includes districts 3 & 4)			
Butte, Colusa, El Dorado, Glenn, Nevada, Placer, Alameda Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma, Sacramento, Sutter, Yolo, Yuba, Sierra.			
Contract Line Item Number (CLIN)	Description	Unit of Measure	Differential
B101	Ethanol E85	per gallon	\$ 0.0625
B102	Diesel #2	per gallon	\$ 0.0980
B103	Diesel #2 (Red Dye includs \$0.0100)	per gallon	\$ 0.1520
B104	Gasoline, Unleaded (87 Octane)	per gallon	\$ 0.0535
ADDITIONAL/SPECIAL CHARGES			
Contract Line Item Number (CLIN)	Description	Unit of Measure	Contract Unit Price
B005	Urgent Delivery	per delivery	No Charge
B006	Emergency Delivery	per delivery	\$120.00
B007	Demurrage charge (not to exceed \$150 per delivery)	per minute	\$2.50
B008	Trip Charge	per delivery	\$250.00
B009	Standing Time (charge begins after 1 free hour)	per minute	\$1.00
B010	Premium for Less Than Minimum Delivery	per gallon,	\$0.10
B011	Late Delivery Fees (Charged to Contractor)	per gallon,	\$0.25
B012	Winterization	per gallon	\$0.05

Super District - C Counties (Includes districts 6 & 10)			
Fresno, Kern, Kings, Madera, Tulare, Alpine, Amador, Calaveras, Mariposa, Merced, San Joaquin, Stanislaus, Tuolumne			
Contract Line Item Number (CLIN)	Description	Unit of Measure	Differential
C101	Ethanol E85	per gallon	\$0.0657
C102	Diesel #2	per gallon	\$0.0826
C103	Diesel #2 (Red Dye includs \$0.0100)	per gallon	\$0.0799
C104	Gasoline, Unleaded (87 Octane)	per gallon	\$0.0358
ADDITIONAL/SPECIAL CHARGES			
Contract Line Item Number (CLIN)	Description	Unit of Measure	Contract Unit Price
C005	Urgent Delivery	per delivery	No Charge
C006	Emergency Delivery	per delivery	\$120.00
C007	Demurrage charge (not to exceed \$150 per delivery)	per minute	\$2.50
C008	Trip Charge	per delivery	\$250.00
C009	Standing Time (charge begins after 1 free hour)	per minute	\$1.00
C010	Premium for Less Than Minimum Delivery	per gallon,	\$0.10
C011	Late Delivery Fees (Charged to Contractor)	per gallon,	\$0.25
C012	Winterization	per gallon	\$0.05

Super District - E Counties (Includes districts 8 & 9)			
Riverside, San Bernardino, Inyo, Mono			
	Description	Unit of Measure	Differential
E101	Ethanol E85	per gallon	\$0.0500
E102	Diesel #2	per gallon	\$0.1104
E103	Diesel #2 (Red Dye includes \$0.0100)	per gallon	\$0.1304
E104	Gasoline, Unleaded (87 Octane)	per gallon	\$0.0049
ADDITIONAL/SPECIAL CHARGES			
Contract Line Item Number (CLIN)	Description	Unit of Measure	Contract Unit Price
E005	Urgent Delivery	per delivery	No Charge
E006	Emergency Delivery	per delivery	\$120.00
E007	Demurrage charge (not to exceed \$150 per delivery)	per minute	\$2.50
E008	Trip Charge	per delivery	\$250.00
E009	Standing Time (charge begins after 1 free hour)	per minute	\$1.00
E010	Premium for Less Than Minimum Delivery	per gallon,	\$0.10
E011	Late Delivery Fees (Charged to Contractor)	per gallon,	\$0.25
E012	Winterization	per gallon	\$0.05

Super District - F Counties (Includes districts 11 & 12)			
Imperial, San Diego, Orange			
	Description	Unit of Measure	Differential
F101	Ethanol E85	per gallon	\$0.0024
F102	Diesel #2	per gallon	\$0.1287
F103	Diesel #2 (Red Dye includes \$0.0100)	per gallon	\$0.2700
F104	Gasoline, Unleaded (87 Octane)	per gallon	\$0.0081
ADDITIONAL/SPECIAL CHARGES			
Contract Line Item Number (CLIN)	Description	Unit of Measure	Contract Unit Price
F005	Urgent Delivery	per delivery	No Charge
F006	Emergency Delivery	per delivery	\$120.00
F007	Demurrage charge (not to exceed \$150 per delivery)	per minute	\$2.50
F008	Trip Charge	per delivery	\$250.00
F009	Standing Time (charge begins after 1 free hour)	per minute	\$1.00
F010	Premium for Less Than Minimum Delivery	per gallon,	\$0.10
F011	Late Delivery Fees (Charged to Contractor)	per gallon,	\$0.25
F012	Winterization	per gallon	\$0.05