



ADDENDUM #1

To: All Companies Interested in Submitting a Bid
From: Diane Muench, CPPB, Purchasing Agent
Bid: Fuel Products and Services, RFB #PUR0416-176, Dated: April 19, 2016
Subject: Addendum #1 (6 pages)
Date: April 26, 2016

Please note the following specification changes/additions/clarifications relative to the above Request for Bid.

- 1) **Question:** Please provide the bid tabulation from the last time fuel services were bid.
Answer: Below is the bid tabulation from 2010, which was the last time fuel services were bid.

VENDORS		Consumers Cooperative Society	Fauser Oil Co., Inc.	Mansfield Oil Company	Petroleum Traders Corporation
Vendor Location		Iowa City, IA	Elgin, IA	Gainesville, GA	Ft. Wayne, IN
Line Item	Description				
1	Gasohol				
	Transport Bid Margin	+019	-0065	+0101	-0042
	Estimated annual cost for 663,500 gallons	\$12,606.50	-\$4,312.75	\$6,701.35	-\$2,786.70
	Tank Wagon Bid Margin	+1099	+0545	+3192	+1174
	Estimated annual cost for 61,800 gallons	\$6,791.82	\$3,368.10	\$19,726.56	\$7,255.32
2	Unleaded				
	Tank Wagon Bid Margin	+1099	+0645	+4450	+1174
	Estimated annual cost for 2,000 gallons	\$219.80	\$129.00	\$890.00	\$234.80
3	No. 1 Diesel (LS)				
	Transport Bid Margin	+029	+0065	+0340	+0550
	Estimated annual cost for 75,000 gallons	\$2,175.00	\$487.50	\$2,550.00	\$4,125.00
	Tank Wagon Bid Margin	+1099	+0745	+3192	+1174
	Estimated annual cost for 7,300 gallons	\$802.27	\$543.85	\$2,330.16	\$857.02
4	No. 2 Diesel (LS)				
	Transport Bid Margin	+029	+0025	+0190	+0021
	Estimated annual cost for 320,000 gallons	\$9,280.00	\$800.00	\$6,080.00	\$672.00
	Tank Wagon Bid Margin	+1099	+0695	+3192	+1174
	Estimated annual cost for 30,000 gallons	\$3,297.00	\$2,085.00	\$9,576.00	\$3,522.00
5	D-Grade Diesel				
	Transport Bid Margin	+0399	+0395	+0440	+0021
	Estimated annual cost for 176,250 gallons	\$7,032.38	\$6,961.88	\$7,755.00	\$370.13
6	E-85				
	Transport Bid Margin	+249	+0025	+0040	-0042
7	Biodiesel B100				
	Bid Margin	+10	+0300	+0565	+0650
	Price per Gallon	\$3.45	\$3.40	\$3.30	No Bid

	Estimated annual cost for 176,250 gallons	\$17,625.00	\$5,287.50	\$9,958.13	\$11,456.25
	Pricing Firm Until:	06/30/11	Changes daily	Changes daily	N/A
9	Premium No. 2 Diesel (Red Dye)				
	Transport Bid Margin	+.0399	+.0395	+.0225	+.0021
	Estimated annual cost for 220,000 gallons	\$8,778.00	\$8,690.00	\$4,950.00	\$462.00
10	50/50 Blend Premium No. 2 Diesel				
	Transport Bid Margin	+.0899	+.1275	+.1815	+.1050
	Estimated annual cost for 220,000 gallons	\$19,778.00	\$28,050.00	\$39,930.00	\$23,100.00
11	40/60 Blend Premium No. 2 Diesel				
	Transport Bid Margin	+.0999	+.1500	+.2140	+.0950
	Estimated annual cost for 220,000 gallons	\$21,978.00	\$33,000.00	\$47,080.00	\$20,900.00
14	Charge for split transport deliveries	\$0.03	\$25.00	\$35.00	\$40.00
15	Charge for split tank wagon deliveries	None	None	\$35.00	\$40.00
16	Delivery within 16 hours for normal order	Yes	Yes	Yes	Yes
17	Delivery within 2 hrs for emergency order	Yes	Yes	Yes	Yes
18	Brand of fuel	Cenex	Various	Various	Various
19	Types of fuel	Various	Various	Various	Various
20	Source of fuel	Magellan Pipeline, BP Amoco	Magellan Pipeline, BP Pipeline	Des Moines terminal	Unbranded; local terminals in area
21	Transport company	Consumers Cooperative Society	Petroleum Transport, ITL, Randolphins	Klemm	Local common carriers

- 2) **Question:** Please provide a copy of the awarded Vendors bid submittal.
Answer: In 2010, the City, The Eastern Iowa Airport and Cedar Rapids/Linn County Solid Waste Agency awarded the contract to Fauser Oil Company. The Cedar Rapids Community School District awarded the contract to Consumers Cooperative Society. See Attachment G for bid submittals.
- 3) **Question:** Have you ever had cause to cancel a contract for convenience?
Answer: Not that can be found in Purchasing's electronic files, which go back to 2004.
- 4) **Question:** The recommendation for award is scheduled for May, 24, 2016. Is this the first board meeting after the opening?
Answer: There is a Council meeting on May 10, but the timing of the bid opening does not allow the resolution to be submitted for this meeting.
- 5) **Question:** Will decision be made before or at the board meeting?
Answer: The entities will make their recommendations for award. The City of Cedar Rapids will submit a resolution for approval of the contract to City Council on May 24. The other entities will follow their procedures for award.
- 6) **Question:** How many consecutive years has the current vendor been awarded?
Answer: Fauser Energy Resources was awarded the bid in 2004 and 2010. Consumers Cooperative Society was awarded the bid in 2010 to supply the Cedar Rapids Community School District.
- 7) **Question:** Do you consider common carriers to be subcontractors?
Question: We have carriers such as Daufeldt & Sully to deliver the transports. Would they be considered Subcontractors?

Answer: For purposes of this bid, a Subcontractor is your identifiable transport company who is authorized to deliver fuel products - see the Request for Bid, Item 4.2.5 and the Bid Pricing Submittal Form, Page 22.

8) **Question:** Can we please have a list of bidders invited to submit a proposal?

Answer: The following vendors were on the bidder's list and were sent the RFB documents by email. The bid documents are also posted on the City's website and there is no way of knowing who might have downloaded those documents.

Vendor Name	Location
AgVantage FS	Marion, IA
Arrow Energy	Saline, MI
Ascent Technologies Group	Parish, NY
Consumers Cooperative Society	Iowa City, IA
Diamond Oil Company	Des Moines, IA
Fausser Energy Resources	Elgin, IA
Hartland Fuel Products	Onalaska, WI
Hovden Oil	Cedar Rapids, IA
Linn Cooperative Oil Company	Marion, IA
Mansfield Oil Company	Gainesville, GA
New Century FS	Vinton, IA
Penford Products	Cedar Rapids, IA
Petroleum Traders Corp.	Ft. Wayne, IN
Petroleum Services Company	Coralville, IA
Renewable Energy Group	Ames, IA
Rilco, Inc.	Rock Island, IL
RKA Petroleum Companies	Romulus, MI
Specialized Petroleum Services	North Liberty, IA

9) **Question:** Outside of FST&P's request for Biodiesel, will you accept up to 5% bio diesel in your other diesel fuels?

Answer: No for the City; Yes for the Cedar Rapids Community School District.

10) **Question:** In Attachment D (specifications), under Biodiesel, it indicates that you prefer soybean based biodiesel. Will you accept biodiesel derived from inedible corn and used cooking oil, or biodiesel that can have some animal fats in it, provided the biodiesel comes from a BQ9000 certified vendor?

Answer: No.

11) **Question:** You request 'D-Grade' Diesel fuel, can you clarify this? We believe this is Clear Ultra Low Sulfur Premium Diesel, but have not heard it called D-Grade.

Answer: Yes, this is the Premium Diesel.

12) **Question:** In attachment E, the Water division has three tanks listed, with two delivery locations. Which tanks are at which locations? Also, tank #3 does not list any annual gallons, is there no gallons used for that tank/site.

Answer: #1 and #2 above ground tanks are located at the Northwest Water Treatment Plant, 7807 Ellis Road NW. #3 above ground tank is located at the J Avenue Treatment Plant, 761 J Avenue NE. The estimated annual gallons for #3 tank is 18,000.

13) **Question:** In Attachment E, The Water Pollution Control Facility lists an above ground tank with a size of 169,000, and an estimated annual usage of 5,000 gallons. Is this accurate? If not, what should these numbers be?

Answer: Please remove this tank from the bid documents; it is no longer in use at WPC.

- 14) **Question:** Attachment E only lists a single 5,000 gal tank for Cedar Rapids Community School District's Transportation Department, while attachment F indicates 3 tanks are present and that orders will be placed for 7500 gallons. What are the sizes of these tanks?
Answer: The Cedar Rapids Community School District has a 12,000 gallon diesel tank and a 2,000 gallon gasohol tank. A typical order is 6500 gallons diesel and 1000 gallons gasohol on a tanker.
- 15) **Question:** Attachment F mentions Governmental Gasohol deliveries of 750 gallons at a time, to a 750 gallon tank (not mentioned in attachment E). Legally we cannot fill a tank beyond 90% capacity due to expansion of fuels due to temperature. Is the tank size accurate? Or will delivery requests be reduced to ensure that the fuel can be completely offloaded?
Answer: Delivery requests will be reduced.
- 16) **Question:** Item 4.2.4 states that 'bidders will not be penalized nor rewarded for the number of individual items on which they bid'... so do we have to bid on all items to be considered for an award?
Question: If D grade & HS Diesel isn't available to us can we still bid the other products?
Answer: Each entity will select the vendor for award, so in order to be considered for a contract award, you would need to submit a bid on all the products required for the entity.
- 17) **Question:** Item 4.3.1 b states that 'AXXIS will not send out a recap of daily averages.' Also that 'a recap of daily averages will be sent out to the Supplier daily by email.' Who is providing that information? Note, we have access to AXXIS daily pricing ourselves.
Answer: Information is provided by the Iowa Department of Transportation.
- 18) **Question:** Pricing – Is the margin over the Iowa DOT Rack Average Price? If it is off AXXIS, please explain what AXXIS is.
Answer: The price per gallon is the rack average price (on the order date) plus bid margin.
- 19) **Question:** What time of day would the City send us the Rack Average Pricing?
Answer: We do not send the rack average daily to the vendor. It's their responsibility to go to the IDOT website and get the daily price.
- 20) **Question:** Do the salesmen have to note the Rack Average Price + margin = Price on every invoice?
Answer: Yes.
- 21) **Question:** On page 22 of 26 Diesel Additive – Estimated 41,000 gallons. It notes that 1 gallon treats 3,000 gallons of diesel = 123,000,000 gal diesel treated – Am I not figuring this correctly?
Answer: The 41,000 estimation is the total of gallons purchased. We treat ALL diesel that is ordered.
- 22) **Question:** Is there a Summer Grade additive & a Winter Grade additive or are you referring to the diesel being Summer & Winter grades?
Answer: There is a summer and winter grade of diesel, plus we apply the additive to all diesel no matter if it's summer or winter.
- 23) **Question:** Does the additive always get added at the delivery site & not at the terminal?
Answer: The additive is never added at the site, always at the terminal.
- 24) **Question:** Page 22 of 26 – Note #1 What does FST&P stand for?
Answer: That is an acronym for Transit Operations.
- 25) **Question:** B100 Biodiesel, 176,250 gallons - Is this all transport or will some be tank wagon?

Question: B100 & Additive – Bid Margin + Price per Gallon + Pricing firm until (page 22 of 26) – Are you asking for a locked in price on B100 (not off the Rack Avg.) & Fuel additive?

Answer: The City hasn't ordered Biodiesel in a couple of years. It is not known if this product will be ordered in the future.

26) **Question:** Are all Winter blends requiring D Grade diesel & No. 1 ULS instead of No 2 & No 1 blends?

Answer: It depends on the season and the temps. We've used a combination of D Grade, #1 & 2.

27) **Question:** Are all the Fuel tanks customer owned?

Answer: Yes.

28) **Question:** Page 7 3.3.3 mentions for Accounting purposes, detailed Schedules & supporting Documentation needs to be included with invoice. Please explain.

Answer: See Item 3.3.2 on Pages 6 and 7 of the RFB. This references all the information that must be included with your invoice.

29) **Question:** The school Fuel Specs request 8Y – D Grade, Cenex D Additive. Do they always use D grade & does the additive have to be Cenex or can we bid a comparable additive?

Answer: The School District does not use D Grade fuel any longer; this item can be removed from the bid.

30) **Question:** In regards to the bid submission for the Fuel Products and Services RFP, is it acceptable for bidders to only bid one mode of delivery? For example, for No. 2 Diesel does the bidder need to include a Transport Margin and Tank Wagon Margin or is it okay to only submit a response for one?

Answer: Contractor shall provide bids for both tank wagon and transport.

31) **Question:** Will a firm fixed price be considered? If not, why?

Answer: A fixed firm price is not acceptable because of the fluctuation in rates. It's impossible to predict what fuel will cost from one day to the next, let alone a year or two out.

32) **Question:** If we were to insert any conditions into our alternate firm fixed bid, would they be taken into consideration or rejected (i.e., right to adjust submitted pricing until date of award; firm commitment to purchase specific amount of gallons of each fuel, Net 30 payment terms, eliminate termination of contract for convenience).

Answer: A firm fixed price is not acceptable in response to this RFB. Once a bid has been received and opened by the City, no changes to the pricing or pricing structure can occur. A firm commitment to purchase specific amount of gallons of each fuel is not acceptable. The City's payment terms are Net 45. Elimination of the termination for convenience is not acceptable.

33) **Question:** What is your current turnaround on payment of invoices?

Answer: Net 45.

34) **Question:** Do your current fuel providers qualify for the local vendors preference?

Answer: The Buy Local Purchasing Policy only applies to the City of Cedar Rapids. Fauser Energy Resources is not currently a certified local vendor.

35) **Question:** Item 4.4.6 indicates that the average daily consumption of gas and diesel for the city is 15,000 gallons per day. If that is an accurate figure, just consuming that amount Monday thru Friday would translate to 3.9 million gallons per year, well above the estimated annual usage totals of 1,732,100. Can you explain this?

Answer: These are estimated numbers.

All addenda that you receive shall become a part of the contract documents and shall be acknowledged and dated on the bottom of the Signature Page (Attachment B). The deadline for sealed bids is Wednesday, May 4, 2016, before 3:00 pm CDT at the Office of the City Clerk, 101 First Street SE, Cedar Rapids, IA 52401.