



ADDENDUM #1

To: All Companies Interested in Submitting a Bid
From: Diane Muench, CPPB, Purchasing Agent
Bid: Fuel Products and Services, RFB #PUR0517-238 Dated: May 26, 2017
Subject: Addendum #1 (5 pages)
Date: June 2, 2017

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

1) **Question:** Please provide a copy of the bid tabulation from the last awarded bid.

| VENDORS | | | Consumers Cooperative Society | Fauser Oil Co., Inc. | Hartland Fuel Products, L.L.C. | Petroleum Traders Corporation | Specialized Petroleum Services |
|---------------------------------------------|-----------------------|---------|-------------------------------|----------------------|--------------------------------|-------------------------------|--------------------------------|
| Vendor Location | | | Iowa City | Walford | Onalaska, WI | Ft. Wayne, IN | North Liberty |
| Local Business Certificate on File (Yes/No) | | | No | Submitted 05/04/16 | No | No | No |
| Line Item | Description | Gallons | | | | | |
| City of Cedar Rapids | | | | | | | |
| Transit Operations | | | | | | | |
| 1 | No. 1 Diesel (LS) | 352,500 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0365 | \$0.0175 | \$0.0157 | |
| | Estimated annual cost | | \$9,693.75 | \$12,866.25 | \$6,168.75 | \$5,534.25 | \$0.00 |
| 2 | No. 2 Diesel (LS) | 352,500 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0265 | \$0.0175 | \$0.0207 | |
| | Estimated annual cost | | \$9,693.75 | \$9,341.25 | \$6,168.75 | \$7,296.75 | \$0.00 |
| 3 | D-Grade Diesel | 352,500 | | | | | |
| | Transport bid margin | | \$0.0384 | \$0.1000 | \$0.0600 | \$0.0487 | |
| | Estimated annual cost | | \$13,536.00 | \$35,250.00 | \$21,150.00 | \$17,166.75 | \$0.00 |
| 4 | Biodiesel | 352,500 | | | | | |
| | Bid margin | | \$0.0900 | No bid | \$0.0300 | \$0.2500 | |
| | Price per gallon | | | | \$2.49 | See bid | |
| | Estimated annual cost | | \$31,725.00 | | \$10,575.00 | \$88,125.00 | \$0.00 |
| Parks and Golf | | | | | | | |
| 1 | Gasohol | 15,000 | | | | | |
| | Transport bid margin | | \$0.0150 | \$0.0165 | \$0.0065 | \$0.0103 | |
| | Estimated annual cost | | \$225.00 | \$247.50 | \$97.50 | \$154.50 | \$0.00 |
| 2 | No. 2 Diesel (LS) | 5,000 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0265 | \$0.0175 | \$0.0207 | |
| | Estimated annual cost | | \$137.50 | \$132.50 | \$87.50 | \$103.50 | \$0.00 |
| 3 | Gasohol | 20,000 | | | | | |
| | Tank wagon bid margin | | \$0.1000 | \$0.1045 | \$0.3500 | \$0.1850 | |
| | Estimated annual cost | | \$2,000.00 | \$2,090.00 | \$7,000.00 | \$3,700.00 | \$0.00 |

| VENDORS | | | Consumers Cooperative Society | Fauser Oil Co., Inc. | Hartland Fuel Products, L.L.C. | Petroleum Traders Corporation | Specialized Petroleum Services |
|-----------------------------------------------------------------------------------------------------|----------------------------------|---------|-------------------------------|----------------------|--------------------------------|-------------------------------|--------------------------------|
| 4 | No. 2 Diesel (LS) | 19,500 | | | | | |
| | Tank wagon bid margin | | \$0.1000 | \$0.1045 | \$0.3500 | \$0.1850 | |
| | Estimated annual cost | | \$1,950.00 | \$2,037.75 | \$6,825.00 | \$3,607.50 | \$0.00 |
| City Services Center | | | | | | | |
| 1 | Gasohol | 160,000 | | | | | |
| | Transport bid margin | | \$0.0150 | \$0.0165 | \$0.0065 | \$0.0103 | |
| | Estimated annual cost | | \$2,400.00 | \$2,640.00 | \$1,040.00 | \$1,648.00 | \$0.00 |
| 2 | No. 2 Diesel (LS) | 260,000 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0265 | \$0.0175 | \$0.0207 | |
| | Estimated annual cost | | \$7,150.00 | \$6,890.00 | \$4,550.00 | \$5,382.00 | \$0.00 |
| 3 | 50/50 Blend Premium No. 2 Diesel | 100,000 | | | | | |
| | Transport bid margin | | \$0.0884 | \$0.1865 | \$0.1875 | \$0.0750 | |
| | Estimated annual cost | | \$8,840.00 | \$18,650.00 | \$18,750.00 | \$7,500.00 | \$0.00 |
| Water Division | | | | | | | |
| 1 | No. 2 Diesel (LS) | 19,000 | | | | | |
| | Tank wagon bid margin | | \$0.1000 | \$0.1045 | \$0.3500 | \$0.1850 | |
| | Estimated annual cost | | \$1,900.00 | \$1,985.50 | \$6,650.00 | \$3,515.00 | \$0.00 |
| 2 | 50/50 Blend Premium No. 2 Diesel | 20,000 | | | | | |
| | Transport bid margin | | \$0.0884 | \$0.1865 | \$0.1875 | \$0.0750 | |
| | Estimated annual cost | | \$1,768.00 | \$3,730.00 | \$3,750.00 | \$1,500.00 | \$0.00 |
| Water Pollution Control Facility | | | | | | | |
| 1 | No. 1 Diesel (LS) | 5,000 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0365 | \$0.0175 | \$0.0157 | |
| | Estimated annual cost | | \$137.50 | \$182.50 | \$87.50 | \$78.50 | \$0.00 |
| 2 | No. 1 Diesel (LS) | 33,500 | | | | | |
| | Tank wagon bid margin | | \$0.1000 | \$0.1145 | \$0.3500 | \$0.1850 | |
| | Estimated annual cost | | \$3,350.00 | \$3,835.75 | \$11,725.00 | \$6,197.50 | \$0.00 |
| 3 | Gasohol | 4,000 | | | | | |
| | Tank wagon bid margin | | \$0.1000 | \$0.1045 | \$0.3500 | \$0.1850 | |
| | Estimated annual cost | | \$400.00 | \$418.00 | \$1,400.00 | \$740.00 | \$0.00 |
| Miscellaneous | | | | | | | |
| 1 | Diesel additive | 41,000 | | | | | |
| | Bid margin | | \$0.0000 | | \$0.0200 | \$0.0250 | \$0.0000 |
| | Price per gallon | | | | See bid | See bid | \$25.00 |
| | Pricing firm until | | | | 06/01/16 | 06/30/18 | 08/01/18 |
| | Bid margin - Summer additive | | | \$0.0195 | | | |
| | Price per gallon | | | \$29.25 | | | |
| | Pricing firm until | | | 06/30/18 | | | |
| | Bid margin - Winter additive | | | \$0.0400 | | | |
| | Price per gallon | | | \$30.00 | | | |
| | Pricing firm until | | | 06/30/18 | | | |
| 2 | Split transport deliveries | | \$0.00 | \$25.00 | \$40.00 | \$45.00 | |
| | 104 annually | | \$0.00 | \$2,600.00 | \$4,160.00 | \$4,680.00 | \$0.00 |
| 3 | Split tank wagon deliveries | | \$0.00 | \$0.00 | \$0.00 | \$45.00 | |
| | 32 annually | | \$0.00 | \$0.00 | \$0.00 | \$1,440.00 | \$0.00 |
| City of Cedar Rapids total annual cost (not including D-Grade, biodiesel or diesel additive) | | | \$49,645.50 | \$67,647.00 | \$78,460.00 | \$53,077.50 | \$0.00 |

| VENDORS | | | Consumers Cooperative Society | Fauser Oil Co., Inc. | Hartland Fuel Products, L.L.C. | Petroleum Traders Corporation | Specialized Petroleum Services |
|----------------------------------------------------|---------------------------------------------|---------|-------------------------------|----------------------|--------------------------------|-------------------------------|--------------------------------|
| Cedar Rapids Community School District | | | | | | | |
| 1 | Premium Diesel Red Dye | 220,000 | | | | | |
| | Transport wagon bid margin | | \$0.0384 | \$0.0465 | \$0.0375 | \$0.0522 | |
| | Estimated annual cost | | \$8,448.00 | \$10,230.00 | \$8,250.00 | \$11,484.00 | \$0.00 |
| 2 | 50/50 Blend | 220,000 | | | | | |
| | Transport wagon bid margin | | \$0.0884 | \$0.1865 | \$0.1875 | \$0.0750 | |
| | Estimated annual cost | | \$19,448.00 | \$41,030.00 | \$41,250.00 | \$16,500.00 | \$0.00 |
| 3 | 40/60 Blend | 220,000 | | | | | |
| | Transport wagon bid margin | | \$0.0984 | \$0.1665 | \$0.2175 | \$0.0750 | |
| | Estimated annual cost | | \$21,648.00 | \$36,630.00 | \$47,850.00 | \$16,500.00 | \$0.00 |
| 4 | Unleaded | 2,000 | | | | | |
| | Tank wagon bid margin | | \$0.1000 | \$0.1545 | \$0.3500 | \$0.1850 | |
| | Estimated annual cost | | \$200.00 | \$309.00 | \$700.00 | \$370.00 | \$0.00 |
| | Total annual cost | | \$49,744.00 | \$88,199.00 | \$98,050.00 | \$44,854.00 | \$0.00 |
| Cedar Rapids/Linn County Solid Waste Agency | | | | | | | |
| 1 | No. 1 Diesel (LS) | 22,500 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0365 | \$0.0175 | \$0.0157 | |
| | Estimated annual cost | | \$618.75 | \$821.25 | \$393.75 | \$353.25 | \$0.00 |
| 2 | No. 2 Diesel (LS) | 112,500 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0265 | \$0.0175 | \$0.0207 | |
| | Estimated annual cost | | \$3,093.75 | \$2,981.25 | \$1,968.75 | \$2,328.75 | \$0.00 |
| | Total annual cost | | \$3,712.50 | \$3,802.50 | \$2,362.50 | \$2,682.00 | \$0.00 |
| The Eastern Iowa Airport | | | | | | | |
| 1 | No. 1 Diesel (LS) | 12,000 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0365 | \$0.0175 | \$0.0157 | |
| | Estimated annual cost | | \$330.00 | \$438.00 | \$210.00 | \$188.40 | \$0.00 |
| 2 | No. 2 Diesel (LS) | 22,000 | | | | | |
| | Transport bid margin | | \$0.0275 | \$0.0265 | \$0.0175 | \$0.0207 | |
| | Estimated annual cost | | \$605.00 | \$583.00 | \$385.00 | \$455.40 | \$0.00 |
| 3 | Gasohol | 219,000 | | | | | |
| | Transport bid margin | | \$0.015 | \$0.0165 | \$0.0065 | \$0.0103 | |
| | Estimated annual cost | | \$3,285.00 | \$3,613.50 | \$1,423.50 | \$2,255.70 | \$0.00 |
| | Total annual cost | | \$4,220.00 | \$4,634.50 | \$2,018.50 | \$2,899.50 | \$0.00 |
| 11 | Charge for split transport deliveries | | \$0.00 | \$25.00 | \$40.00 | \$45.00 | |
| 12 | Charge for split tank wagon deliveries | | \$0.00 | \$0.00 | \$0.00 | \$45.00 | |
| 13 | Delivery within 16 hours for normal order | | Yes | Yes | Yes | Yes | |
| 14 | Delivery within 2 hours for emergency order | | Yes | Yes | Yes | Yes | |
| 15 | Brand of fuel | | Yes | Yes | Yes | Yes | |
| 16 | Type of fuel | | Yes | Yes | Yes | Yes | |
| 17 | Source of fuel | | Yes | Yes | Yes | Yes | |
| 18 | Transport company | | Yes | Yes | Yes | Yes | |

- 2) **Question:** Provide a copy of the original awarded vendor's bid from the last awarded bid for gasoline and diesel.
Answer: See Attachment G.
- 3) **Question:** Can we bid only on the transport volume or are we required to bid on both transport and tank wagon?
Answer: Both transport and tank wagon are required.
- 4) **Question:** How many times in the last year was an emergency order (within 2 hrs) needed?
Answer: Emergency fuel was requested 7-10 times in the past year.
- 5) **Question:** When was the last time you needed emergency orders to be delivered within two hours?
Answer: September 2016.
- 6) **Question:** Are the deliveries ratable for the City Service Center and Solid Waste agency or do they have higher volume months?
Answer: Yes there is for City Services Center, this is unpredictable.
- 7) **Question:** Are we only able to pass split fees or can we pass demurrage and short load fees?
Answer: Only allowable fees are shown on the Bid Submittal Form, Attachment C.
- 8) **Question:** Who was the carrier for your tank wagon locations?
Answer: The contracted vendor.
- 9) **Question:** Looking at the bid sites listed I noticed they are the same as the sites listed on the RFB from May 2016. That bid was listed as a 2 year bid with option to extend, so were these sites changed to a one year contract after they were awarded?
Answer: No.
- 10) **Question:** Are common carriers seen as sub-contractors?
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.
- 11) **Question:** Have you ever terminated a contract for convenience?
Answer: No.
- 12) **Question:** May we have a list of vendors invited to bid?
Answer: The following vendors were emailed the RFB. In addition, it is posted on the City's website for download.

| | |
|---------------------------|--------------------------------|
| AgVantage FS | Arrow Energy |
| Ascent Technologies Group | Consumers Cooperative Society |
| Diamond Oil Co. | Fauser Oil Company |
| Harms Oil Company | Hartland Fuel Products |
| Hovden Oil | Linn Cooperative Oil Company |
| Midwest Wheel | Mansfield Oil Company |
| New Century FS | Penford Products |
| Petroleum Traders Corp. | Petroleum Services Company |
| Renewal Energy Group | Rilco, Inc. |
| RKA Petroleum Companies | Specialized Petroleum Services |

13) **Question:** Will you accept up to 5% bio diesel?

Answer: No.

14) **Question:** Will you accept unbranded fuel?

Answer: Unbranded fuel is acceptable but it must meet the specifications in the bid documents.

15) **Question:** Is your current vendor a local vendor?

Answer: Yes.

16) **Question:** Do you receive any discounts from you current vendor?

Answer: No.

17) **Question:** When is the first board meeting after the opening? Will the bid be decided at this meeting?

Answer: It is the City's intention to submit a resolution to award the contract on the June 27, 2017 council meeting. This is the first meeting after the bid opening.

18) **Question:** Can we use AXXIS Iowa City for pricing since they are closer than St Paul?

Answer: No. Rack Average is based on the daily pricing provided by the Iowa Department of Transportation.

19) **Question:** Can you provide an example of an acceptable invoice?

Answer: See Attachment H.

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 Friday, June 9, 2017, before 3:00 pm CDT at the Office of the City Clerk, 101 First Street SE, Cedar Rapids, IA 52401.