



**The State of Oregon
Department of Administrative Services
Procurement Services
Issues the Following**

**Buyer's Guide
for
Bulk Fuel Delivery**

This Buyer's Guide is applicable to the following Price Agreement(s):

0472	Carson Oil Co.	6726	Byrnes Oil Co.
2578	Campo & Poole Oil	6728	R.W. Hays Co.
6306	Bretthauer Oil Co.	8459	Woodbury Energy Co (WECO)
6307	Ezell Suty Fuel	6732	Tyree Oil
7679	Don Thomas Petroleum	6733	Wilson Oil Co.
6309	Staub & Sons Petroleum		
6311	Triangle Oil		
8511	Mid Columbia Producers		

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Table of Contents

Buyer's Guide – Bulk Fuel Delivery & Services	Page
I. Applicable Price Agreements & Products	3
II. Mandatory Use Contract	3
III. Delivery	3
IV. Bulk Fuel Pricing	5
V. Determining Contract Price for Bulk Fuel	5
VI. Invoices	6
VII. Payment	6
VIII. FAQ's	6

Attachment 1 – BULK FUEL DELIVERIES BY LOCATION

Buyer's Guide

I. APPLICABLE PRICE AGREEMENTS AND PRODUCTS

This Buyer's Guide covers the "Bulk Fuel Delivers" Price Agreements. The purpose of these Price Agreements is for the purchase of Bulk Fuel delivered to an Authorized Purchasers Tank, including but not limited to: gasoline, Ethanol (Not E85 – see PA 7854) , Diesel, Heating Oil, kerosene, Bio-Diesel, and Bulk Fuel winterization additives.

II. MANDATORY USE CONTRACT

The Price Agreements are **mandatory Use** Contracts for agencies subject to DAS PS Authority and **convenience** contracts for ORCPP, WSPC, and agencies that have delegated authority. (See OAR 125-246-0110(80))

III. PURCHASE AND DELIVERY

The Price Agreement is available for use by Authorized Purchasers which are; state agencies, Oregon Cooperative Procurement Program (ORCPP) participants, and Washington State Purchasing Cooperative (WSPC) members.

Delivery type: Tank Wagon – usually for orders under 5,000 gallons, Truck & Trailer – usually for orders over 5,000 gallons

Fuel Types Available:

Unleaded regular gasoline, unleaded premium gasoline, Gasoline with 10% ethanol added

Diesel (as follows):

- **No. 1 Fuel Oil** - A light distillate fuel oil that has distillation temperatures of 400 degrees F at the 10-percent recovery point and 550 degrees F at the 90-percent point and meets the specifications defined in ASTM Specification D 396. It is used primarily as fuel for outdoor stoves and portable outdoor heaters.
- **No. 2 Diesel Fuel** - A fuel oil that has distillation temperatures of 500 degrees F at the 10-percent recovery point and 640 degrees at the 90-percent recovery point and meets the specifications defined in ASTM Specification D 975. It is used in high speed diesel engines generally operated under uniform speed and load conditions, such as those in railroad locomotives, trucks and automobiles.
- **Ultra Low-Sulfur No. 2 Diesel Fuel** - Ultra-low sulfur diesel fuel was proposed by EPA as a new standard for the sulfur content in on-road diesel fuel sold in the United States since October 15, 2006
- **High-Sulfur No. 2 Diesel Fuel** - No. 2 diesel fuel that has a sulfur content above 0.05 percent by weight.
- **No. 2 Fuel Oil (Heating Oil)** - A distillate fuel oil that has distillation temperatures of 400 degrees F at

the 10-percent recovery point and 640 degrees F at the 90-percent recovery point and meets the specifications defined in ASTM Specification D 396. It is used in atomizing type burners for domestic heating or for moderate capacity commercial/industrial burner units.

- **No. 4 Fuel** - A distillate fuel oil made by blending distillate fuel oil and residual fuel oil stocks. It conforms with ASTM Specification D 396 and is used extensively in industrial plants and in commercial burner installations that are not equipped with preheating facilities.

- **Biodiesel** - Ultra Low Sulfur Diesel Blended with organic oil (soybeans, corn, etc). BXX Identifies Biodiesel and the XX signify the blend portion. i.e. B10 = 10% Organic & 90% ULSD, B20 = 20% organic & 80% ULSD, etc., etc.

If your location is not listed on the Price Agreements, or noted in an Amendment Document posted on ORPIN, contact the PS point of contact to request adding your location to an agreement. The Contract Administrator will request price quotes from all suppliers that service your location.

See "Attachment Location Form"

- Complete the location form and e-mail it to the "Point of Contact" (see page 1)
- PS will contact the suppliers that service your location and request a price quote for delivery of Bulk Fuel. Once we have the quote(s) we will contact you with the Price Agreement number & the supplier information for ordering products/delivery.

Who do I contact to order bulk fuel delivery?

- Contact the person identified in the Price Agreement(s) as the Contractors 'contact'.
- What do I tell them?
- Provide the statewide Price Agreement number and tell the contact person what products you want to order.
- What form do I use to place an order?
- State Agencies: Use the DAS PS approved Purchase Order form for Price Agreements which is provided for all state agencies. All agency Purchase Orders or Ordering Instruments related to the Price Agreement must comply with Sections 9.1 and 9.3 to include relevant specification items.
- ORCPP Members: If using your own agency's Purchase Order or Ordering Instrument they must contain the mandatory purchase order language from Section 9.4.1 of the applicable Price Agreement(s).

"THIS PURCHASE IS SUBMITTED PURSUANT TO STATE OF OREGON SOLICITATION # 102-2118-5 AND PRICE AGREEMENT # [**ORDERING ORGANIZATION WILL INSERT PRICE AGREEMENT #**]. THE PRICE AGREEMENT INCLUDING CONTRACT TERMS AND CONDITIONS AND SPECIAL

CONTRACT TERMS AND CONDITIONS (T's & C's) CONTAINED IN THE PRICE AGREEMENT ARE HEREBY INCORPORATED BY REFERENCE AND SHALL APPLY TO THIS PURCHASE AND SHALL TAKE PRECEDENCE OVER ALL OTHER CONFLICTING T's AND C's, EXPRESSED OR IMPLIED."

- When can I expect delivery of my order?
 - Bulk fuel deliveries will normally be as a result of one of the following ordering programs:
 - a) KEEP FULL: When Authorized Purchaser's request this delivery program; the Contractor may schedule fuel deliveries at their convenience when approved in advance by the Authorized Purchaser.
 - b) ROUTINE SINGLE ORDERS: Deliveries to be during normal Authorized Purchaser's working hours and within 3 calendar days after receipt of order.
 - c) EMERGENCIES: Deliveries to be within 24 hours after notification of need. Contractor may add a flat rate charge, not to exceed \$100 per delivery, to cover additional delivery costs involved, if any. Any emergency delivery charge must be mutually agreed to by the Authorized Purchaser and the Contractor prior to delivery. The amount of this charge, if any, shall be listed as a separate line item on the invoice.

IV. BULK FUEL PRICING (Reference Attachment B of the Price Agreement)

"Contractor Markup" shall mean the markup as bid by the Contractor. The Contractor Markup shall be inclusive of (i) all direct, indirect, fixed or variable costs and fees of any type or description incurred by Contractor including transportation, labor, and administrative fees, and (ii) overhead and profit.

"OPIS Average Daily Index Price" means the Average Price at the Applicable Rack as published by OPIS at approximately 6:00AM Eastern time for Gasoline, Diesel. The Average Price at the Applicable Rack as published by OPIS Biodiesel Index at approximately 3:00PM Eastern time for Biodiesel. OPIS reports are E-mailed to the State Procurement Office daily, except Saturdays, Sundays, & Holidays.

"Contract Price " means the price calculated by adding (a) the 6:00 AM (approximate) Eastern Standard Time (EST) OPIS Average Daily Index Price for the Goods purchased on the date of delivery to the Authorized Purchaser and (b) the appropriate Contractor Markup and multiplying the sum of these components by the number of units purchased.. No other costs, fees or other charges shall be added by the Contractor in determining the Contract Price. The State of Oregon shall use the OPIS GROSS Daily Average Price as released by OPIS at 6:00 AM (approximate) Eastern Standard Time (EST).

"Tax Component" means federal, state and local taxes applicable to the transaction for which the Authorized Purchaser is not exempt and which must, by law, be collected from the Authorized Purchaser by the Contractor.

"Transaction Price" means the sum of the Contract Price and the Tax Component. No other costs, fees or other charges shall be added by the Contractor in determining the Transaction Price.

“Rack or OPIS Rack” There are four (4) Distribution centers associated with bulk fuel delivery, Portland, Eugene, Pasco, & Boise. The Daily OPIS price index varies depending on the Rack location where the fuel is picked up by the supplier. The Supplier has designated the applicable Rack to use for calculation on the Price Agreement Summary Page by location.

Example: for gasoline or diesel (Biodiesel uses the OPIS Biodiesel Index report)

An Authorized Purchaser orders 2,000 gallons of # 2 low sulfur Diesel on June 25 from a Contractor that has designated the Applicable Rack as Boise. Delivery is made on June 28. The Contract Price for that purchase shall be calculated by adding the OPIS Average Daily Index Price on June 28th for the Boise rack for diesel # 2 and the Contractor Markup for # 2 low sulfur diesel (see summary page of price agreement) and multiplying that sum by the number of units purchased. This amount becomes the Contract price for the delivery and the fuel.

Applicable taxes (see chart below) are then added to the contract price which becomes the Transaction price, the total amount due on the invoice.

Example 1: Biodiesel OPIS average daily rack price for B99 portion of load (See OPIS daily Biodiesel rack price list) OPIS average daily rack price for ULSD portion of the load (See OPIS daily wholesale rack price list) Contractor's mark up for delivery to location (See contract summary for mark up by location & rack location)

B20 Example for above:

9/12/2008 Gal's delivered: 5,000 (B20 = 20% B99, 80% ULSD)

Location: Portland Rack: Portland

OPIS price for B99: 4.5837

OPIS price for ULSD: 3.1654

Mark up: ULSD 0.0690 / B99 0.250 (from contract summary)

OPIS price for B99: $4.5837 + \text{Mark up} - 0.250 = \text{Contract Price for B99} - \4.8337

B99 $4.8337 \times 1000 \text{ Gals} = \$4,833.70$

OPIS price for ULSD: $3.1654 + \text{Mark up} - 0.0690 = \text{Contract Price for ULSD} - \3.2344

ULSD $3.2344 \times 4,000 \text{ Gal} = \$12,937.60$

Total Contract price for the Biodiesel is \$17,771.30

Applicable taxes (see chart below) are then added to the contract price which becomes the Transaction price, the total amount due on the invoice. Transaction Price would be the contract price plus any applicable taxes.

Example 2: Biodiesel

OPIS Index is now posted for Biodiesel – OPIS pricing for B2 thru B50 includes the B99 component and the ULSD component. Formula for those suppliers that load the Biodiesel product directly from the RACK will use the OPIS Bxx Index plus supplier markup for contract price.

Some suppliers continue to store and mix the B99 with ULSD for delivery. Those suppliers will continue to use the formula outlined in Example 1.

Refer to http://www.oregon.gov/ODOT/CS/FTG/current_ft_rates.shtml for current tax rates.

	State Tax on Diesel fuel (\$0.34 / gallon)	State tax on unleaded fuel (\$0.34 / gallon)	Federal tax on Diesel fuel (\$0.244)	Federal tax on unleaded fuel (\$0.184)	Federal tax – Spill Tax = .0019 & L.U.S.T. = .001 (Leaking Underground Storage Tank Tax)	Load Fee	City & County taxes (varies by Gov't unit)
State agencies		X			X	X	X
Local Gov't agencies		X			X	X	X
Non-profits	X	X	X	X	X	X	X
Malheur NF		X	X	X	X	X	X

The local taxes are as follows:

Jurisdiction	Local Tax Rate Per Gallon	State Tax Rate Per Gallon	Federal Tax Rate Per Gallon	Total Tax Rate Per Gallon To Be Posted*
Washington County	\$0.01	\$0.34	\$0.184	\$0.434
Multnomah County	\$0.03	\$0.34	\$0.184	\$0.454
City of Woodburn	\$0.01	\$0.34	\$0.184	\$0.434
City of Eugene	\$0.05	\$0.34	\$0.184	\$0.474
City of Springfield	\$0.03	\$0.34	\$0.184	\$0.454
City of Cottage Grove	\$0.03	\$0.34	\$0.184	\$0.454
City of Veneta	\$0.03	\$0.34	\$0.184	\$0.454
City of Tigard	\$0.03	\$0.34	\$0.184	\$0.454
City of Milwaukie	\$0.02	\$0.34	\$0.184	\$0.453
City of Coquille	\$0.03	\$0.34	\$0.184	\$0.454
City of Coburg	\$0.03	\$0.34	\$0.184	\$0.454

City of Astoria	\$0.03	\$0.34	\$0.184	\$0.454
City of Warrenton	\$0.03	\$0.34	\$0.184	\$0.454
City of Canby	\$0.03	\$0.34	\$0.184	\$0.454
City of Newport (Nov - May)	\$0.01	\$0.34	\$0.184	\$0.434
City of Newport (Jun - Oct)	\$0.03	\$0.34	\$0.184	\$0.454
City of Hood River	\$0.03	\$0.34	\$0.184	\$0.454
City of Tillamook	\$0.015	\$0.34	\$0.184	\$0.439
City of The Dalles	\$0.03	\$0.34	\$0.184	\$0.454
City of Stanfield	\$0.01	\$0.34	\$0.184	\$0.434
City of Sandy	\$0.02	\$0.34	\$0.184	\$0.434
City of Oakridge	\$0.03	\$0.34	\$0.184	\$0.454
City of Dundee	\$0.02	\$0.34	\$0.184	\$0.444
All other Oregon locations	\$0.00	\$0.34	\$0.184	\$0.424

Please refer to http://www.oregon.gov/ODOT/CS/FTG/current_ft_rates.shtml to review federal tax and guidelines for federal requirements, credits & grants for Biofuels.

V. INVOICES

All invoices are to be accompanied with the appropriate volume delivery verification documentation including, but not limited to, a metered delivery ticket (if available), date, time, bill of lading as well as a record of before and after delivery stick level readings.

- Delivery Location
- Address to send payment
- Applicable taxes shall be itemized and shown separately on the invoice.
- OPIS pricing must be shown on the invoice as separate line items.
- Vendor's markup must be shown on the invoice as separate line items.

VI. PAYMENT

Contractor shall invoice Authorized Purchaser only after delivery of all Goods and Services ordered. Payment is due by Authorized Purchaser within thirty (30) days after the date of the invoice pursuant to ORS 293.462.

VIII. Frequently Asked Questions (FAQ's)

The following are the most frequently asked questions about Propane Delivery and services.

- My location is not listed on any of the price agreements. How do I get my location added?
You will need to contact the Point of Contact (see page 1) and request an Add location form.
- Where do I find the Oil Price Index Service (OPIS) price Index numbers?
OPIS reports are copyright protected. Annual registration fee for the report is \$2000 to 4,000. To verify the Price index for a certain date contact the Point of Contact (see page 1)
- How can I determine the accuracy of the invoice?
 - *The invoice should have the following information identified:*
 - *Location of the delivery*
 - *Quantity of the product delivered*
 - *OPIS price index & Rack location for each product delivered on the date of delivery*
 - *Supplier Markup for each product*
 - *Total Contract price for each product*
 - *Taxes applicable for each product*
 - *Total Transaction price for total delivery*

Should you have questions regarding the invoice, contact the Contractor Contact for clarification. If unable to resolve the issue, contact the Point of Contact for the Price Agreement (see page 1)

Contact the *Point of Contact for the Price Agreement (see page 1)*

Add Location Form:

Agency/Department: _____ Date: _____

County: _____

Location: _____

Address: _____

Contact Name: _____

E-mail Address: _____

Phone No.: _____

Number of Tanks: _____

Tank Capacity:

#1 _____ gallons *Circle one*

Fuel Type: Gas Diesel Biodiesel

Annual Usage: _____

#2 _____ gallons

Fuel Type: Gas Diesel Biodiesel

Annual Usage: _____

#3 _____ gallons

Fuel Type: Gas Diesel Biodiesel

Annual Usage: _____

#4 _____ gallons

Fuel Type: Gas Diesel Biodiesel

Annual Usage: _____

Attachment 1

BULK FUEL DELIVERIES BY LOCATION

