

**STATE OF MAINE
AWARD FOR HEATING FUELS
FOR STATE FACILITIES
FOR THE 2013-2014 HEATING SEASON**

Awardee: Dennis K Burke, Inc.
Contract Period: November 8, 2013 to November 7, 2014
Heating Fuel Type: See “Heating Oil Type and Details” below, and “Fuel Type” listed on attached “Price Quotation Form(s)”
Price Structure: OPIS “Low” Rack Price plus Fixed Margin, as shown on attached “Price Quotation Form(s)” (by region and fuel type).

This document is the State of Maine’s contract award, following on Request for Quotations (RFQ) #18P- 1310100000000000275 for heating fuels at State of Maine facilities. This award covers the region(s) listed in the table below, and the Attachment A spreadsheet covers the specific facilities in each region. The Awardee, Contract Period, Heating Oil Type, and Price Structure have been detailed above. Per the RFQ, the State of Maine reserves the right to lock in pricing at any time within the contract period, should it be advantageous to do so.

Region	Number of Sites	Total Gallons Needed
Capital	17	461,826

Some of the locations on Attachment A are in the process of moving to an alternative source of fuel (primarily, natural gas). These specific locations have been highlighted on Attachment A in either red or purple. The red highlighting equates to priority facilities that are anticipated to burn alternative fuel within this heating season. The purple highlighting equates to buildings that *may* burn alternative fuel within this heating season. It is anticipated, however, that these locations will have dual burner capability, and may still order heating oil throughout the year in the same manner as other State facilities that only use heating oil. The State will not seek to lock-in or commit to a set number of gallons for these intended dual burner locations.

The State’s requirement is for 100% of the actual heating oil usage at each facility. Note: the usage figures that are shown above are estimates of annual usage based on historic use at the facilities. The amount that the vendor is responsible for selling and delivering is not the volume shown, but is 100% of actual usage during the term of the contract. The State’s estimates are no guarantee of future usage. Vendor will be responsible for ensuring that an adequate amount of fuel is available at each of the facilities throughout the term of the contract, and for arranging all deliveries as required.

Pricing

Pricing for all deliveries under this one-year contract will be based on a “Margin-Over-Rack” price as specified in the vendor’s response at the end of this document. The “Margin-Over-Rack” pricing method is defined as follows: vendor will be paid for deliveries based on the proposed and agreed monetary margin per gallon over a variable wholesale “rack” price. The rack price will be based on the information provided by the Oil Price Information Service (OPIS, for reference, see www.opisnet.com). The elements that make up the set monetary margin are clearly listed within the Price Quotation Form, provided at the end of this document. The margin and all of its elements will be fixed for the duration of the contract. The State reserves the right to negotiate and make arrangements with the vendor to lock-in a price on a certain date, if it is in the best interest of the State to do so.

The contracted vendor will be required to include, with each invoice submitted, a daily OPIS report documenting the rack price.

Heating Oil Type and Details

- **B5 Bio-Fuel**

The “rack” price for B5 bio-fuel will be set equal to the closing “low” rack price as reported by OPIS on the date immediately preceding the delivery date for either Portland or Bangor, depending on the location of the facility (and the designated rack – either Portland or Bangor – has been defined on the vendor’s response for the State’s applicable facilities. For background information, in the past, the State has used B5 bio-fuel heating oil at the Cross State Office Building in Augusta, among other facilities. In the future, the Cross State Office Building intends to use natural gas as its primary heating fuel source, but it may need to use B5 bio-fuel on an emergency basis. In the event that the State needs to order B5 bio-fuel, the State will seek to purchase it on a Margin-Over-Rack basis, as described above. If a vendor is interested in bidding to provide this fuel, please note the specification requirements listed below:

Product must be BIO B5 MIX heating fuel, must meet ASTM D6751-03 standard and any Federal rules and regulations and must be a certified product.

- #2 heating oil used to mix with bio-fuel to yield B5 must have sulfur content no greater than 0.35%.
- Bio-fuel must be delivered already blended, with quality checked and certified by the supplier.
- The final blended fuel should have a required set of specified cold weather handling characteristics. The tank location for the Cross State Office Building is in a vault and maintains a temperature level on average of 50 degrees Fahrenheit, though it may be colder during the winter months.
- Deliveries must be made between the hours of 5:00 pm and 6:00 am, Monday through Friday, or at any time on weekends. This is necessary to accommodate traffic and parking in the vicinity of the tank.

Additional State Facilities

The State intended to include all of its applicable facilities in Attachment A. If the State finds that certain facilities were inadvertently omitted from inclusion after the contract has been awarded, then the State expects to be able to include these facilities under the same terms and conditions as the included facilities.

Payment Terms

After the contract has been awarded and heating oil is being supplied, the State of Maine seeks to pay a monthly bill for usage at each delivery point, based on the pricing structure described above. All payments made by the State to the Awardee will have payment terms of net 30 days from receipt of an accurate and accepted invoice.

All invoices will include the contract number. All invoices MUST be submitted within 36 hours of delivery. Only original invoices will be paid. Statements will not be accepted in lieu of an invoice for payment. There must be one invoice with delivery ticket number to be paid for each delivery. A daily OPIS report must accompany the invoice from each contracted vendor. In addition, the State of Maine is requiring vendors to accept credit cards as a potential form of payment for the procurement of goods and services under this contract. The pricing offered to the State of Maine shall be the final price to the State regardless of payment method. No surcharge (e.g. for credit card use) or other compensation will be allowed.

Quarterly Reporting

Vendor must provide the points of contact listed below (or a delegate identified by the Director of the Division of Purchases) with a quarterly summary report, including contract year-to-date total of actual deliveries made to all accounts during the previous quarter. Reports are due 15 days after the end of each quarter, on January 15, April 15, July 15 and October 15.

Division of Purchases
Terry Demerchant
111 Sewall Street
9 State House Station
Augusta, ME 04333
Terry.L.Demerchant@maine.gov

Bureau of General Services
Bambi Tefft
111 Sewall Street
77 State House Station
Augusta, ME 04333
Bambi.L.Tefft@maine.gov

Contract Extension

The Director of the State of Maine Division of Purchases may extend the contract period beyond the indicated expiration date with the consent of the Awardee. During the Contract Period, the Director may also extend contract pricing to other State facilities that may not be listed on Attachment A, again, with the consent of the Awardee.

Government Entities

The Awardee may be asked to extend the same terms to other governmental units in the State of Maine, where possible.

Subcontractors

Subcontracting with another vendor to cover the Awardee's region is permitted, however, the Awardee / prime contractor is expected to manage every facet of the subcontractor relationship. In the event of a contractual or delivery issue, the State intends to focus its communications to the prime contractor for issue resolution, as applicable.

RFQ #1310100000000000275 - ATTACHMENT B
Heating Oil for State Facilities for the 2013-2014 Heating Season

PRICE QUOTATION FORM

(Note: interested bidders may duplicate this page, as needed, for multiple regions and fuel types.)

Region: Capital
Fuel Type: ULSD
Name of Vendor: Dennis K. Burke, Inc Phone: 8002892875
Vendor Address: 284 Eastern Ave Chelsea, MA 02150
OPIS Rack Location: Portland
Date of this Quotation: 10.23.13
OPIS Rack Price per gallon: [variable, per description in RFQ]
Mark-up Price per gallon: + \$.0392
Transportation Cost per gallon: + \$ —
Other Associated Costs, if any (please define) per gallon: + \$ —
Total fixed "Margin" price per gallon: = \$.0392
Total Delivered Price per gallon: [OPIS Rack Price + fixed Margin]

The undersigned is authorized by the above named company to submit this Price Quotation Form and agrees to abide by the guidelines outlined in the State of Maine's Request for Quotation.

Signed: [Signature] Date: 10.23.13

Title: Director of Sales

Email Address: mark.pszewiczny@Buekeoil.com