

## SWC 208, Gas and Fuel Commodity Specifications

**All Specifications must meet all current and future American Society for Testing and Materials (ASTM) and Environmental Protection Agency (EPA) requirements surrounding fuel, which includes but is not limited to the delivery of fuel, storage of fuel, handling of fuel, and testing of fuel. Fuel under this specification is made up of Biodiesel, Diesel, Gasoline, and Diesel Red Dye.**

1. Biodiesel Blend: Blend of grade no. 2-D ultra-low sulfur diesel and up to 20% biodiesel, for use in over the road diesel engines. The biodiesel component shall consist of mono-alkyl esters of long chain fatty acids derived from new and used vegetable oils, designated B100, B99.9, or B99. The diesel component shall consist of any blend of grade no. 2-D ultra-low sulfur diesel with less than 6% biodiesel.
2. Diesel Fuel, Grade No. 2-D Ultra Low Sulfur: Grade no. 2-D (.0015 mass Percentage sulfur, 40 cetane min.), for use in over the road diesel engines.
3. Gasoline, Unleaded Regular and Premium: The antiknock index : (RON + MON/2) shall be no less than the values specified below:
  - Unleaded Regular Gasoline- Minimum 87 Octane
  - Unleaded Premium Gasoline – Minimum 91 Octane
  - Unleaded E-10 Regular Gasoline- Minimum 87 Octane
  - Unleaded E-10 Premium Gasoline – Minimum 91 Octane
  - Unleaded E-85 – Minimum Ethanol is up to 70%

Note : A sufficient amount of detergent shall be added to “ keep clean” multi-port fuel injected engines.

4. Diesel Fuel, Red Dye Grade No. 2 Ultra Low Sulfur: for use in off-road diesel engine, minimum cetane number of 40.

Upon Customer request, Contractor must provide all certificates concerning product quality of all commodities listed in Section A (1-4) inclusive in these specifications.

### A. Delivery Requirements

1. **Special Delivery/Handling:** It shall be the responsibility of the bidder to follow-up with the ordering agency pursuant to “special delivery handling”. An example of special delivery/handling would be the pumping of fuel in lieu of gravity unloading. Any special delivery/handling charges that may be incurred by the bidder are to be incorporated in the bidders markup cost. The state does not provide for separate or additional billing.
2. **Delivery Tickets:** For purposes of verification by the requesting agency and at no additional cost to the state, all delivery vehicles are to be equipped with a metered pump or shall have properly calibrated compartments with the capacity clearly marked on each compartment. If a metered pump is provided, a metered delivery ticket shall accompany delivery. If not, depending on

quantity ordered, the calibrated compartment shall be filled to the secured markers in each compartment for verification by the agency of actual gallons received, deliveries to be net gallons. For transport loads of 5,000 gallons and above, the loading terminal BOL showing the gross and net gallons loaded will suffice as verification of the quantity delivered.

3. **Combined Deliveries:** Should delivery of other fuels be made in a single trip using a multi compartment vehicle and total combined volume is 5000 gallons or above, the state shall be billed at the 5000 gallon markup cost for each product.
4. **Invoice Pricing for Fuel:** Fuel costs will be determined based on the OPIS Average Daily Price from the closest terminal used to service the customer's facility.

The state is to be billed for gallons delivered at the OPIS Price plus markup or minus discount. Invoices are to reflect the OPIS Average Daily Price for the day fuel was delivered. Prices for fuel for the (4) Tennessee locations (Knoxville, Chattanooga, Nashville, and Memphis) are updated weekdays for that business day. Weekend deliveries are to be billed using the following business day pricing. The price of the fuel commodity itself will be determined using the price on the date of delivery to the customer, regardless of when or where the Supplier obtains the fuel.

Fuel costs shall exclude any taxes and/or fees that the Customer is exempt from paying. All fuel costs will include the OPIS Average Daily Price, the Contractor's markup and all applicable taxes and/or allowable petroleum associated fees.

\*All applicable taxes and fees shall be shown as separate line items on the vendor's invoice to the agency and shall not be included in the cost of the fuel or in the vendor's markup.

5. **Fuel Sites and Accessibility:** All Customer tanks shall be properly equipped to enable the Contractor to safely deliver fuel. The Contractor shall notify the Customer of all situations that may be deemed unsafe. A Contractor may refuse to deliver fuel to an unsafe Fuel site until the safety issue is resolved. The Customer shall be responsible for having proper equipment installed. The Customer shall work with the Contractor making a delivery to assure that the Contractor has proper accessibility to all tanks being fueled.

Before unloading of fuel begins, Customer personnel and Contractor personnel shall measure the Customer's tank(s) to receive fuel and shall again measure the tank(s) after delivery.

Scheduled delivery must be at least three (3) days from the date of the order. This service is for delivery of fuel by the Contractor to the Customer's tank(s) within the three (3) day time frame.

6. **Taxes:** Federal excise tax claims will be filed and paid by State agencies to the IRS for current cents/gallon federal excise tax on gasoline products unless notified by the vendor of exemption by the supplier. If a State agency does not have the federal exemption, the supplier is permitted to charge the Federal excise tax.

- The State is exempt from state and local sales and use taxes. The State is exempt from payment of both gasoline and privilege and special tax on petroleum products when the following conditions exist:
  - Shipped in lots of at least 500 gallons of combined products.
  - Stored by the governmental unit in a storage facility either owned or leased by a governmental unit.
  - Used exclusively for government purposes in equipment either owned or leased by a government unit and operated by government employees.

The Federal Excise and Federal Leaking Underground Storage Tank tax (L.U.S.T.) are applicable taxes under this contract, unless documentation of exemption is provided by the procuring Agency.

7. **State Regions:** There are four (4) Tennessee regions that encompass all state counties and when added together, cover the entire state. The contract award is based on pricing for these four regions. Information on award criteria and can be found in this Contract’s Special Terms and Conditions.

The following military bases: Catoosa Training Site, 43 Rifle Range Road, Tunnel Hill Georgia (Region 3) and UTES2, Market Garden/Angles Road, Fort Campbell, Kentucky (Region 2), will also be provided fuel under the SWC 208 – Gasoline and Diesel fuel.

\*Please see bid requirements in State Terms and Conditions associated with this bid.

8. **Prices:** Gasoline and Diesel prices will be calculated using the following information:
  - OPIS Average Daily Price (10AM Report) as determined by the closest appropriate terminal for fuel.
  - Contractor’s bid price (markup) for the state region in which delivery of fuel is made.
  - All applicable fuel taxes and/or petroleum associated fees as determined by the county in which delivery of fuel is made.

Sample Invoice:

<u>Product</u>	<u>Gallons</u>	<u>State Cost/Gal.</u> (Rack +/- markup)	<u>Amount Due</u>
Diesel #2	2000	\$ .7850 +(markup)	\$ 1,373.75
Unleaded regular	3000	\$ .8760+(markup)	\$ 4,380.00
Federal Excise Tax	5000	\$ .1830	\$ 920.00
Federal L.U.S.T Tax	5000	\$ .001	\$ 5.00
<b>Total Due</b>			<b>\$ 6,678.75</b>

**10. Fuel Permits:** The State and/or Customer will be responsible for all facility required permits pertaining to Fuel storage and handling in accordance with all local, state, and federal laws.

**11. Federal and State Standards:** It is the intent of the Department that all specifications herein are in full and complete compliance with all Federal and State of Tennessee laws and regulations applicable to the type and class of Commodity being provided. This includes, but is not limited to, Federal Motor Equipment Safety Standards ("FMVSS"), Occupational Safety and Health Administration ("OSHA"), Environmental Protection Agency ("EPA") Standards, and State of Tennessee requirements that apply to the type and class of Commodity being provided. In addition, any Federal or State legislation that should become effective during the term of the Contract, including any renewals, regarding equipment safety or emissions shall immediately become a requirement of the Contract. The Contractor must meet or exceed any such requirements of the laws and regulations. If an apparent conflict exists, the Contractor must contact the Contract Administrator immediately. Delivery of non-conforming product shall be cause for Contract termination and possible Contractor suspension.