


Master Purchase Order

DO NOT INVOICE TO THIS ADDRESS	 DENVER <small>THE MILE HIGH CITY</small>	Master Purchase Order No.	0568A0312		
City & County of Denver		Date:	December 21, 2011	Revision No.	
Purchasing Division		Payment Terms	Net 30, attempt net 10		
201 West Colfax Avenue, Dept. 304		Freight Terms	See Delivery Pricing Below		
Denver, CO 80202		Ship Via	Company Trucks		
United States		Buyer:	Kenton Janzen		
Phone: 720-913-8100 Fax: 720-913-8101		Phone:	303-342-2183		

Vendor: Gray Oil Company Phone: 303-857-2288 Fax: 303-857-0758

Gray Oil Company
 804 Denver Ave
 Ft Lupton, CO 80621
 Attn: Tina

Ship To: Various City Agencies and Locations
 E Mail: FOR DIA
 Bill To: Accounts.Payable@flydenver.com

For the rest of the City
AccountsPayable.Help@denvergov.org

1. Goods/Services:

Gray Oil Company, a Corporation, ("Vendor") shall provide the goods, and any services related thereto, identified and described on attached Exhibit A, to the City and County of Denver, a Colorado municipal corporation (the "City"), all in accordance with the terms and conditions of this Master Purchase Order.

2. Ordering:

The City shall purchase one or more of the goods/services by issuing a written purchase order(s) or similar appropriate written document ("Order"), each of which will be deemed incorporated into this Agreement for purposes of such Order only.

3. Pricing:

The pricing/rates for the goods/services is contained on Exhibit A and shall be held firm for the term of this Master Purchase Order unless otherwise stated.

4. Extension or Renewal:

The effective period of this Master Purchase Order shall be from January 1, 2012 to and including December 31, 2013. It is also a specific provision of this Master Purchase Order that the City and the vendor may mutually agree to renew and continue the contract or agreement consummated under this Master Purchase Order for additional periods of one year at the same prices, terms and conditions. However, no more than three (3) yearly extensions shall be made to the original Master Purchase Order.

5. Non-Exclusive:

This Master Purchase Order is non-exclusive. City does not guarantee any minimum purchase other than as provided herein.

6. Inspection and Acceptance:

City may inspect all goods/services prior to acceptance. Payment does not constitute acceptance. Vendor shall bear the cost of any inspection/testing that reveal goods/services that are defective or do not meet specifications. City's failure to accept or reject goods/services shall not relieve Vendor from its responsibility for such goods/services that are defective or do not meet specifications nor impose liability on City for such goods/services. If any part of the goods/services are not acceptable to City, City may, in addition to any other rights it may have at law or in equity: (1) make a warranty claim; (2) repair and/or replace the goods or substitute other services at Vendor's expense; or (3) reject and return the goods at Vendor's cost and/or reject the services at Vendor's expense for full credit. Any rejected goods/services are not to be replaced without written authorization from City, and any such replacement shall be on the same terms and conditions contained in this Master Purchase Order. Vendor shall perform all services in accordance with the standard of care exercised by highly competent vendors who perform like or similar services.

7. Shipping, Taxes and Other Credits and Charges:

All pricing is F.O.B. destination unless otherwise specified. Shipments must be marked with Vendor's name, the Master Purchase Order number, and contain a delivery or packing slip. Vendor shall not impose any charges for boxing, crating, parcel post, insurance, handling, freight, express or other similar charges or fees. Vendor shall notify City in writing of any price decreases immediately, and City shall receive the benefit thereof on all unshipped items. Vendor shall comply with any additional delivery terms specified herein. Vendor shall be responsible for the cleanup and reporting of any contamination (environmental or otherwise) or spillage resulting from the delivery and/or unloading of goods within twenty-four (24) hours of the contamination or spillage or sooner if required by law. Vendor shall procure all permits and licenses; pay all charges, taxes and fees; and give all notices necessary and incidental to the fulfillment of this Master Purchase Order and all cost thereof have been included in the prices contained herein. City shall not be liable for the payment of taxes, late charges or penalties of any nature, except as required by D.R.M.C. § 20-107, et seq. The price of all goods/services shall reflect all applicable tax exemptions. City's Federal Registration No. is 84-6000580 and its State Registration No. is 98-02890. Vendor shall pay all sales and use taxes levied by City on any tangible personal property built into the goods/services. Vendor shall obtain a Certificate of Exemption from the State of Colorado Department of Revenue prior to the purchase of any materials to be built into the goods/services and provide a copy of the Certificate to City prior to final payment.

8. Risk of Loss:

Vendor shall bear the risk of loss, injury or destruction of goods prior to delivery to City. Loss, injury or destruction shall not release Vendor from any obligation hereunder.

9. Invoice:

Each invoice shall include: (i) the Master Purchase Order number; (ii) individual itemization of the goods/services; (iii) per unit price, extended and totaled; (iv) quantity ordered, back ordered and shipped; (v) an invoice number and date; (vi) ordering department's name and "ship to" address; and (vii) agreed upon payment terms set forth herein.

10. Payment:

Payment shall be subject to City's Prompt Payment Ordinance D.R.M.C. § 20-107, et-seq. after City accepts the goods/services. Any other provision of this Agreement notwithstanding, in no event shall the City be liable for aggregate payments under this Master Purchase Order in excess of **Fifty Million and no/100 Dollars (\$50,000,000.00)**. The Vendor acknowledges that any goods/services provided beyond those specifically described in **Exhibit A** are performed at Contractor's risk and without authorization from the City. City's payment obligations hereunder, whether direct or contingent, shall extend only to funds appropriated by the Denver City Council for the purpose of this Master Purchase Order, encumbered by the City after receipt of Vendor's invoice and paid into the Treasury of City. Vendor acknowledges that: (i) City does not by this Master Purchase Order, irrevocably pledge present cash reserves for payments in future fiscal years; and (ii) this Master Purchase Order is not intended to create a multiple-fiscal year direct or indirect debt or financial obligation of City. City may setoff against any payments due to Vendor any claims and/or credits it may have against Vendor under this Master Purchase Order.

11. Amendments/Changes:

Only the Manager of General Services or his delegate is authorized to change or amend this Master Purchase Order by a formal written change order. Any change or amendment that would cause the aggregate payable under this Master Purchase Order to exceed the amount appropriated and encumbered for this Master Purchase Order is expressly prohibited and of no effect. Vendor shall verify that the amount appropriated and encumbered is sufficient to cover any increase in cost due to changes or amendments. Goods/services provided without such verification are provided at Vendor's risk. The Vendor has no authority to bind City on any contractual matters.

12. Warranty:

Vendor warrants and guarantees to City that all goods furnished under this Master Purchase Order are free from defects in workmanship and materials, are merchantable, and fit for the purposes for which they are to be used. For any goods furnished under this Master Purchase Order which become defective within twelve (12) months (unless otherwise specified) after date of receipt by City, Vendor shall either, at City's election and to City's satisfaction, remedy any and all defects or replace the defective goods at no expense to City within seven (7) days of receipt of the defective goods or accept the defective goods for full credit and payment of any return shipping charges. Vendor shall be fully responsible for any and all warranty work, regardless of third party warranty coverage. Vendor shall furnish additional or replacement parts at the same prices, conditions and specifications delineated herein.

13. Indemnification/Limitation of Liability:

Vendor shall indemnify and hold harmless City (including but not limited to its employees, elected and appointed officials, agents and representatives) against any and all losses (including without limitation, loss of use and costs of cover), liability, damage, claims, demands, actions and/or proceedings and all costs and expenses connected therewith (including without limitation attorneys' fees) that arise out of or relate to any claim of infringement of patent, trademark, copyright, trade secret or other intellectual property right related to this Master Purchase Order or that are caused by or the result of any act or omission of Vendor, its agents, suppliers, employees, or representatives. Vendor's obligation shall not apply to any liability or damages which result solely from the negligence of City. City shall not be liable for any consequential, incidental, indirect, special, reliance, or punitive damages or for any lost profits or revenues, regardless of the legal theory under which such liability is asserted. In no event shall City's aggregate liability exceed the agreed upon cost for those goods/services that have been accepted by City under this Master Purchase Order. Notwithstanding anything contained in this Master Purchase Order to the contrary, City in no way limits or waives the rights, immunities and protections provided by C.R.S. § 24-10-101, et seq.

14. Termination:

City may terminate this Master Purchase Order, in whole or in part, at any time and for any reason immediately upon written notice to Vendor. In the event of such a termination, City's sole liability shall be limited to payment of the amount due for the goods/services accepted by City. Vendor acknowledges the risks inherent in this termination for convenience and expressly accepts them. Termination by City shall not constitute a waiver of any claims City may have against Vendor.

15. Interference:

Vendor shall notify the Director of Purchasing immediately of any condition that may interfere with the performance of Vendor's obligations under this Master Purchase Order and confirm such notification in writing within twenty-four (24) hours. City's failure to respond to any such notice shall in no way act as a waiver of any rights or remedies City may possess.

16. Venue, Choice of Law and Disputes:

Venue for all legal actions shall lie in the District Court in and for City and County of Denver, State of Colorado, and shall be governed by the laws of the State of Colorado as well as the Charter and Revised Municipal Code, rules, regulations, Executive Orders, and fiscal rules of City. All disputes shall be resolved by administrative hearing, pursuant to the procedure established by D.R.M.C. § 56-106. Director of Purchasing shall render the final determination.

17. Assignment/No Third Party Beneficiary:

Vendor shall not assign or subcontract any of its rights or obligations under this Master Purchase Order without the written consent of City. In the event City permits an assignment or subcontract, Vendor shall continue to be liable under this Master Purchase Order and any permitted assignee or subcontractor shall be bound by the terms and conditions contained herein. This Master Purchase Order is intended solely for the benefit of City and Vendor with no third party beneficiaries

18. Notice:

Notices shall be made by Vendor to the Director of Purchasing and by City to Vendor at the addresses provided herein, in writing sent registered, return receipt requested.

19. Compliance With Laws:

Vendor shall observe and comply with all federal, state, county, city and other laws, codes, ordinances, rules, regulations and executive orders related to its performance under this Master Purchase Order. City may immediately terminate this Master Purchase Order, in whole or in part, if Vendor or an employee is convicted, plead nolo contendere, or admits culpability to a criminal offense of bribery, kickbacks, collusive bidding, bid-rigging, antitrust, fraud, undue influence, theft, racketeering, extortion or any offense of a similar nature.

20. Insurance:

Vendor shall secure, before delivery of any goods/services, the following insurance covering all operations, goods and services provided to City. Vendor shall keep the required insurance coverage in force at all times during the term of the Purchase Order, or any extension thereof, during any warranty period, and for three (3) years after termination of this Purchase Order. The required insurance shall be underwritten by an insurer licensed to do business in Colorado and rated by A.M. Best Company as "A-"VIII or better. Each policy shall contain a valid provision stating "Should any of the above-described policies be canceled or non-renewed before the expiration date thereof, the issuing company shall send written notice to the Denver Risk Management, 201 West Colfax Avenue, Dept. 1105, Denver, Colorado 80202. Such written notice shall be sent thirty (30) days prior to such cancellation or non-renewal unless due to non-payment of premiums for which notice shall be sent ten (10) days prior." Additionally, Vendor shall provide written notice of cancellation, non-renewal and any reduction in coverage to the address above by certified mail, return receipt requested. If any policy is in excess of a deductible or self-insured retention, City must be notified by Vendor. Vendor shall be responsible for the payment of any deductible or self-insured retention. The insurance coverages specified in this Purchase Order are the minimum requirements, and these requirements do not lessen or limit the liability of Vendor. Vendor shall provide a copy of this Purchase Order to its insurance agent or broker. Vendor may not commence services or work relating to the Purchase Order prior to placement of coverage. Contractor certifies that the attached certificate of insurance attached to the Purchase Order documents, preferably an ACORD certificate, complies with all insurance requirements of this Purchase Order. The City's acceptance of a certificate of insurance or other proof of insurance that does not comply with all insurance requirements set forth in this Purchase Order shall not act as a waiver of Vendor's breach of this Purchase Order or any of the City's rights or remedies under this Agreement. The City's Risk Management Office may require additional proof of insurance, including but not limited to policies and endorsements. Vendor's insurer shall name as Additional Insured to its Commercial General Liability and Business Auto Liability policies the City and County of Denver, its elected and appointed officials, employees and volunteers. Vendor's insurer shall waive subrogation rights against the City. All sub-contractors and sub-consultants (including independent contractors, suppliers or other entities providing goods/services required by this Purchase Order) shall be subject to all of the requirements herein and shall procure and maintain the same coverages required of Vendor. Vendor shall include all such entities as insureds under its policies or shall ensure that they all maintain the required coverages. Vendor shall provide proof of insurance for all such entities upon request by City. For Worker's Compensation Insurance, Vendor shall maintain the coverage as required by statute for each work location and shall maintain Employer's Liability insurance with limits of \$100,000 for each bodily injury occurrence claim, \$100,000 for each bodily injury caused by disease claim, and \$500,000 aggregate for all bodily injuries caused by disease claims. Vendor expressly represents to City, as a material representation upon which City is relying, that none of the Vendor's officers or employees who may be eligible under any statute or law to reject Workers' Compensation Insurance shall effect such rejection during any part of the term of this Purchase Order, and that any such rejections previously effected, have been revoked. Vendor shall maintain Commercial General Liability coverage with limits of \$1,000,000 for each occurrence, \$1,000,000 for each personal and advertising injury claim, \$2,000,000 products and completed operations aggregate, and \$2,000,000 policy aggregate. Vendor shall maintain Business Auto Liability coverage with limits of \$1,000,000 combined single limit applicable to all owned, hired and non-hired vehicles used in performing services under this Purchase Order. For Commercial General Liability coverage, the policy must provide the following: (i) That this Purchase Order is an Insured Contract under the policy; (ii) Defense costs in excess of policy limits; (iii) A severability of interests, separation of insureds or cross liability provision; and (iv) A provision that coverage is non-contributory with other coverage or self-insurance provided by City. For claims-made coverage, the retroactive date must be on or before the first date when any goods or services were provided to City. Vendor must advise the City in the event any general aggregate or

other aggregate limits are reduced below the required per occurrence limits. At their own expense, and where such general aggregate or other aggregate limits have been reduced below the required per occurrence limit, the Contractor will procure such per occurrence limits and furnish a new certificate of insurance showing such coverage is in force.

21. Severability:

If any provision of this Master Purchase Order, except for the provisions requiring appropriation and encumbering of funds and limiting the total amount payable by City, is held to be invalid, illegal or unenforceable by a court of competent jurisdiction, the validity of the remaining portions or provisions shall not be affected if the intent of City and Vendor can be fulfilled.

22. Survival:

All terms and conditions of this Master Purchase Order which by their nature must survive termination/expiration shall so survive. Without limiting the foregoing, Vendor's insurance, warranty and indemnity obligations shall survive for the relevant warranty or statutes of limitation period plus the time necessary to fully resolve any claims, matters or actions begun within that period. Bonds shall survive as long as any warranty period.

23. No Construction Against Drafting Party:

No provision of this Master Purchase Order shall be construed against the drafter.

24. Status of Vendor/Ownership of Work Product:

Vendor is an independent contractor retained on a contractual basis to perform services for a limited period of time as described in Section 9.1.1E(x) of the Charter of City. Vendor and its employees are not employees or officers of City under Chapter 18 of the D.R.M.C. for any purpose whatsoever. All goods, deliverables, hardware, software, plans, drawings, reports, submittals and all other documents or things furnished to City by Vendor shall become and are the property of City, without restriction.

25. Records and Audits:

Vendor shall maintain for three (3) years after final payment hereunder, all pertinent books, documents, papers and records of Vendor involving transactions related to this Master Purchase Order, and City shall have the right to inspect and copy the same.

26. Remedies/Waiver:

No remedy specified herein shall limit any other rights and remedies of City at law or in equity. No waiver of any breach shall be construed as a waiver of any other breach.

27. No Discrimination in Employment:

Vendor shall not refuse to hire, discharge, promote or demote, or to discriminate in matters of compensation against any person otherwise qualified, solely because of race, color, religion, national origin, gender, age, military status, sexual orientation, marital status, or physical or mental disability; and Vendor shall insert the foregoing provision in any subcontracts hereunder.

28. Use, Possession or Sale of Alcohol or Drugs:

Vendor shall cooperate and comply with the provisions of Executive Order 94. Violation may result in City terminating this Master Purchase Order or barring Vendor from City facilities or from participating in City operations.

29. Conflict of Interest:

No employee of City shall have any personal or beneficial interest in the goods/services described in this Master Purchase Order; and Vendor shall not hire or contract for services any employee or officer of City which would be in violation of City's Code of Ethics, D.R.M.C. §2-51, et seq. or the Charter §§ 1.2.8, 1.2.9, and 1.2.12.

30. No Employment of Illegal Aliens to Perform Work Under The Agreement:

a. This Agreement is subject to Division 5 of Article IV of Chapter 20 of the Denver Revised Municipal Code, and any amendments (the "Certification Ordinance").

b. The Contractor certifies that:

(1) At the time of its execution of this Agreement, it does not knowingly employ or contract with an illegal alien who will perform work under this Agreement.

(2) It will participate in the E-Verify Program, as defined in § 8-17.5-101(3.7), C.R.S., to confirm the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement.

c. The Contractor also agrees and represents that:

(1) It shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

(2) It shall not enter into a contract with a subconsultant or subcontractor that fails to certify to the Contractor that it shall not knowingly employ or contract with an illegal alien to perform work under the Agreement.

(3) It has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this Agreement, through participation in the E-Verify Program.

(4) It is prohibited from using the E-Verify Program procedures to undertake pre-employment screening of job applicants while performing its obligations under the Agreement, and that otherwise requires the Contractor to comply with any and all federal requirements related to use of the E-Verify Program including, by way of example, all program requirements related to employee notification and preservation of employee rights.

(5) If it obtains actual knowledge that a subconsultant or subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, it will notify such subconsultant or

subcontractor and the City within three (3) days. The Contractor will also then terminate such subconsultant or subcontractor if within three (3) days after such notice the subconsultant or subcontractor does not stop employing or contracting with the illegal alien, unless during such three-day period the subconsultant or subcontractor provides information to establish that the subconsultant or subcontractor has not knowingly employed or contracted with an illegal alien.

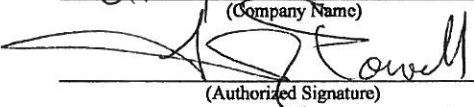
(6) It will comply with any reasonable request made in the course of an investigation by the Colorado Department of Labor and Employment under authority of § 8-17.5-102(5), C.R.S, or the City Auditor, under authority of D.R.M.C. 20-90.3.

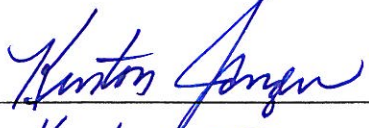
d. The Contractor is liable for any violations as provided in the Certification Ordinance. If Contractor violates any provision of this section or the Certification Ordinance, the City may terminate this Agreement for a breach of the Agreement. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the City. Any such termination of a contract due to a violation of this section or the Certification Ordinance may also, at the discretion of the City, constitute grounds for disqualifying Contractor from submitting bids or proposals for future contracts with the City.

This Master Purchase Order is acknowledged and agreed to by:

Vendor Name: Gray Oil Co. Inc.
(Company Name)

City & County of Denver, Purchasing Division

By: 
(Authorized Signature)

By: 

Print Name: Tina J. Powell

Print Name: Kenton Janzen

Title: President

Title: Senior Buyer

Date: 12-21-11

Date: 12/21/11

EXHIBIT "A"

Vendor: Gray Oil
Title: Unleaded, Diesel and Biodiesel Fuel
Master Purchase Order No.: 0568A0312

It is recommended that you use your Master Purchase Order No. – 0568A0312, in all future correspondence, billing, invoicing or other communications.

Description of the goods, and services related thereto, being purchased and pricing:

THE OPIS AVERAGE PRICING REFERENCED BELOW WILL ONLY BE IN EFFECT WHEN THE CITY HAS LOCKED FUEL WITH YOUR COMPANY AND HAS USED THE ENTIRE ALLOTMENT FOR THAT GIVEN MONTH. THE OPIS PRICING SHALL REMAIN IN EFFECT TO THE END OF THAT MONTH ONLY AND LOCKED PRICING WILL RESUME ON THE 1ST OF THE FOLLOWING MONTH.

The OPIS average computed on the Thursday prior to Monday's publish date each week, shall be the basis for OPIS +/- pricing anytime that the City is not purchasing "locked" fuel.

In the event the "Oil Price Information Service" (OPIS) ceases publication or a viable listing of reference prices relating to Denver, Colorado, is no longer available through this publication, the parties to this agreement will mutually establish a successor index.

Supply

- A. The #2 Diesel product shall comply with performance levels classified by the most current ASTM D975 standards, and shall be red, ultra low sulfur #2 Diesel, with a minimum cetane number of 45 when tested to ASTM D613. The red dye cost must be included in the quoted price.
- B. Vendor must have supplies of #1 Diesel and cold winter additives from October through March and be able to deliver these products to our primary fuel locations in advance of extreme cold weather conditions and on an emergency basis
- C. The #1 Diesel product quoted and provided must meet or exceed the most current ASTM D975 standards and shall be red, ultra low sulfur #1 Diesel with a minimum cetane number of 50 when tested to ASTM D613. The red dye must be included in the price.
- D. All diesel fuel provided, including any biodiesel blend, must meet a cold filter plug point of < -30°F October through March.
- E. All regular Unleaded Fuel provided shall meet all applicable and current ASTM standards, be minimum 85 octane, and contain no MTBE.
- F. Vendor must supply premium unleaded fuel (91 Octane) year-round.
- G. Vendor must have year-round availability of E85. The E85 fuel provided for flexible-fuel automotive spark-ignition engines shall meet or exceed ASTM D5798. The E85 fuel blend shall be seasonally adjusted based on geographic location and anticipated temperatures to enhance starting and driving performance.
- H. The City requires that the vendor have a local in-state presence including the ability to source fuel locally (defined as within a 100 mile radius of central Denver).
- I. Vendor must be able to provide biocide upon request.

B100 Blend Stock Specifications

- A. Vendor's biodiesel product must meet or exceed D6751 specifications (national bio-diesel standards). Base stock will be made of virgin rapeseed, soy or other equivalent virgin bio-mass.
- B. Upon request, vendors will submit their protocols and quality assurance policy for B100 testing, storage and handling.

B5-20 Specifications

- A. Biodiesel blends provided must meet cold filter plug point of < -30°F for October through March.
- B. Upon request vendor must supply a current Certificate of Analysis showing results of winterized B5-20 including cloud point, pour point, cold filter plug point, moisture content and concentration of # 1 diesel present in the blend.

Delivery

- A. Orders for fuel placed by the City by 10:30 a.m. on any given day shall be delivered by the vendor same day.
- B. Upon delivery of fuel to any City fueling site, the vendor shall be required to 1) measure the tank to be filled by either "sticking" or reading Veeder root figure before and after filling tank and 2) record the readings onto EACH and EVERY invoice.
- C. Should the vendor be unable to unload the entire amount that was ordered, an additional drop charge of no more than \$30 will be allowed if the remaining fuel must be taken to another City location and off loaded. This charge will not apply if the fuel can be off loaded at a different tank at the same location.
- D. Should the City order less than full transport load to a single primary tank, the vendor may charge the City for delivery of a full load (i.e. If the delivery cost of a 7,500 gallon load is \$.02/gallon, the total cost for delivery of a less than full load will be \$150.00).
- E. When the City requests fuel deliveries to secondary fuel locations with tanks that hold 1,000 gallons of fuel or less (mainly golf courses and mountain parks), the vendor will not be allowed to charge any additional delivery fees or fuel surcharges. The delivery cost per gallon for these locations is listed below.
- F. All freight charges shall be locked for the duration of the contract and shall include all freight surcharges. No additional freight surcharges may be added.

Testing

- A. The Vendor supplying fuel on October 1st of each year will be required to check each of the City's diesel tanks for cold filter plugging, cloud point and water content. The vendor will begin testing on October 1 and test all diesel tanks a second time after the cold weather additives are in place and shall complete the 2nd round of testing by December 7. Tests must be performed by an approved independent agency with results provided to Fleet Management Personnel immediately. The City reserves the right to ask for additional testing, as needed.

LOCKING

Futures fuel purchases

- A. All fuel provided on futures contracts must meet the same specifications above.
- B. City personnel will request locked pricing quotes from all of the vendors that were issued a master purchase order as a result of this Proposal. The City agrees to provide at least 24-hours notification, or on a previously-agreed upon set schedule. Pricing should be provided for the next month, 3 months, 6 months, 9 months and one year and should include all applicable costs (i.e. be "delivered" cost) and fees unless otherwise notified by the City.

Procedures for Locking

- A. The City initiates (by email or phone) a request for locking price (24 hour lead time) for unleaded and/or diesel from the Qualified Vendors.
- B. The email quotes will be due at a predetermined time. They will be supplied by all Qualified Vendors, evaluated and discussed with Fleet Management, DIA Fleet Maintenance, the Purchasing Department and senior officials in Public Works.
- C. When it is determined that the City wishes to lock, Fleet Management contacts the successful vendor on the phone and informs them that we intend to accept the offer and emails the "Locking Worksheet" defining monthly quantities. A separate worksheet will be submitted for Public Works (which shall include the quantity numbers for Golf) and Denver International Airport.
- D. The spreadsheet contains the fuel contract number, bid price, the length of time included in the purchase agreement, whether we are purchasing "downside protection," the fees that we recognize we have to pay that were previous agreed upon in the fuel bid contract, for environmental issues and delivery. On this spreadsheet the City must also specify the exact amount of fuel we are purchasing each month, listed by the month.
- E. The email with the above commitment will also contain a statement about notifying the City when the purchase has been executed and at what price it was executed, which must be the quoted price or lower (it can sometimes be less than the quoted amount if the market falls in the 24 hours it takes to put all the data together).
- F. Once the City has confirmation from the vendor that a request to "lock" was executed, the City has a contract that becomes effective for the period specified in the spreadsheet and the OPIS vendor will be replaced by the "locked" vendor for fuel deliveries until such time that the "lock" expires. Then the City will go back to purchasing fuel from the OPIS vendor.

Miscellaneous

- A. Vendor must be able to provide emergency fuel service.
- B. Any fuel product delivered that fails to meet ASTM or other standards listed above, or is determined to be defective, will be removed from the tank at the vendor's sole cost.
- C. Vendor agrees in principle that the City is a preferred customer and should be afforded all the privileges and services possible. As a preferred customer, the City should be given preferential supply treatment to ensure the continuation of city operations.
- D. The vendor shall be required to meet all local, state and federal regulations regarding the supply and delivery of all fuel products.
- E. The vendor shall abide by the City's ozone reduction initiative, which requires that June 1 through September 15 from 6:00 a.m. to 2:00 p.m. all reasonable efforts be made to control VOC's.
- F. Billing shall be by GROSS gallons, NOT NET gallons.

OPIS Pricing, Items 1-6, TO BE USED ONLY WHEN MONTHLY ALLOTMENT HAS BEEN RECEIVED

Item No.	Description	Discount/Markup in Cents
1	Discount/Markup from weekly average rack (Denver) for OPIS Unleaded (i.e. -.015/gallon)	-\$0.0380
2	Discount/Markup from weekly average rack (Denver) for OPIS Unleaded 91 OCTANE (i.e. -.015/gallon)	-\$0.0380
3	Discount/Markup from weekly average rack (Denver) for OPIS Diesel #2 (i.e. -.015/gallon)	-\$0.0380
4	Discount/Markup from weekly average rack (Denver) for OPIS Diesel #1 (i.e. -.015/gallon)	-\$0.0380
5	Discount/Markup from weekly average rack (Denver) for OPIS E-85 (i.e. -.015/gallon)	\$0.0000
6	Discount/Markup from weekly average rack (Denver) for OPIS B100 (i.e. -.015/gallon)	\$0.0000
7	Up-Charge for emergency delivery service with 4 hours of notice.	\$0.0000
Item No.	Description	Per Gallon Delivery in Cents
	Delivery Charge Per Gallon to the following Primary Locations:	
8A	5440 Roslyn	\$0.0180
8B	1271 Bayaud	\$0.0180
8C	2000 W 3rd Ave	\$0.0180
8D	2013 S Osage	\$0.0180
8E	7501 E Jewell	\$0.0180
8F	4800 Himalaya, Fire Station #29	\$0.0180
8G	Denver International Airport	\$0.0210
	Delivery Charge Per Gallon to the following Secondary Locations:	
	Golf Courses	

9A	City Park Maintenance, 2955 E 23rd Ave	\$0.12
9B	Harvard Gulch, 660 E Iliff	\$0.12
9C	JFK Pro Shop, 10500 E Hampden	\$0.12
9D	JFK Maintenance, 10500 E Hampden	\$0.12
9E	Overland Maintenance, 1801 S Huron	\$0.12
9F	Overland Maintenance, 1801 S Huron	\$0.12
9G	Wellshire Pro Shop, 3333 S Colorado Blvd	\$0.12
9H	Wellshire Maintenance, 3801 E Hampden	\$0.12
9K	Willis Case Maintenance, 5199 Tennyson St	\$0.12
Mountain Parks		
10A	Morrison, 300 Union Ave, Morrison CO 80465	\$0.12
10B	Gennessee, 26771 Gennessee Lane, Golden, CO 80401	\$0.12
10C	Daniels Park, 8615 N Daniels Park Rd, Sedila, CO 80135	\$0.12
	*Should additional locations be required, delivery charges shall be similar to any above location for like mileage.	
Item No.	Description	Charge Per Month
	Emergency Procedures that will need to remain in place for the first few months of the contract. The weighting of this item will be for 4 months.	
11A	A 9500 gallon tanker at Central Platte location for #1 fuel storage	\$0.00
11B	70,000 gallons of offsite storage including at least 3 different tanks capable of holding a minimum of 10,000 gallons so the #1 diesel, #2 diesel and unleaded can be stored	\$0.00
11C	Proper Training for operators (must be provided regarding the transfer of fuel from the on-site tanker to Fleets tanker)	\$0.00
11D	Proper personnel to load Fleets tanker when retrieving fuel from your supplied storage (11B)	\$0.00

12	Additional Testing of Tanks when requested. List per Tank.	\$0.00
	This charge will only apply to additional requests for testing by City Personnel, NOT specifically outlined in the required above section for "Testing" of this proposal.	

**This Master Purchase Order is only valid for payment amounts up to \$499,999.99 until City Council has approved it as required by 3.2.6(e).