

ITEM D (Addendum No. 1)

REQUIREMENTS OF GASOLINE AND DIESEL FUEL

**SPECIFICATIONS AND BIDDING INFORMATION
BIDS CLOSE 3:00 PM DECEMBER 15, 2015**

The City of Albert Lea wishes to accept sealed proposals for the 2016 requirements for gasoline and diesel fuel. The delivery period shall be from January 1, 2016 to December 31, 2016.

PRODUCT IS REQUIRED AS FOLLOWS:

CITY GARAGE - 414 COMMERCIAL STREET

Unleaded Gasoline (10% Ethanol enriched): Minimum 87 Octane rating, estimated annual quantity 60,000 gallons, delivered to a 15,000 gallon capacity tank at the City Garage.

D-grade Diesel Fuel and Arctic Diesel Fuel (or equal): Estimated annual quantity of 30,000 gallons of D-grade diesel and 15,000 gallons of Arctic Diesel Fuel (or equal), to be delivered to a 15,000 gallon tank at the City Garage.

WASTEWATER TREATMENT PLANT

Unleaded Gasoline: 10% Ethanol enriched minimum, 87 Octane rating, estimated annual quantity ~~2,000~~ 1500 gallons delivered on a "call" basis to a 1,000 gallon capacity tank on the Wastewater Treatment Plant site.

D-Grade Diesel Fuel: Estimated annual quantity of ~~3,000~~ 2,000 gallons; and ~~4,500~~ 1,500 gallons Arctic Diesel (or equal) to be delivered on a "call" basis to a 1,000 gallon tank on the Wastewater Treatment Plant site

#2 Diesel Fuel (Heating Oil): Estimated annual quantity of ~~30,000~~ 5,000 gallons delivered on a "call" basis to a 30,000 gallon capacity tank on the Wastewater Treatment Plant site.

SUMMARY OF ESTIMATED QUANTITIES:

Unleaded Gasoline - 62,000 Gallons
60,000 - Garage
~~2,000~~ 1,500 - Wastewater Treatment Plant

D-Grade Diesel - ~~18,000~~ 32,000 Gallons
~~15,000~~ 30,000 - City Garage
~~3,000~~ 2,000 - Wastewater Treatment Plant

Arctic Diesel Fuel (or Equal) Diesel – 16,500 Gallons
15,000 - City Garage
1,500 - Wastewater Treatment Plant

#2 Diesel (Heating Oil) - ~~30,000~~ 5,000 Gallons - Wastewater Treatment Plant

The City reserves the right to purchase on the open market loads of 7,500 gallons or less of any type of fuel.

BASIS OF PRICING:

The price quoted in the proposal shall be on a "cost-certified base, plus guaranteed fixed margin" basis. To the cost-certified base the following taxes and fees should be added:

	<u>Gasoline</u>	<u>Diesel</u>
MN State Tax	.2850	
MN Inspection Fee	<u>.001</u>	<u>.001</u>
TOTAL	.286	.001

Cost of product should be based on prices effective at noon, on Friday, December 11, 2015. **Proof of wholesale base must be included with bid.** Bidder may quote on bidder's own letterhead. All adjustments from the price quoted shall be cost-certified from the price established December 11, 2015. The City of Albert Lea will continue to pay only previous delivery invoice price, unless effective date cost increases are certified. The fixed margin shall not change throughout the year. The successful bidder shall be prepared to submit a \$1,000 performance bond to assure that the terms will be complied with.

BILLING AND PAYMENTS:

The City Council makes payments at their regular meeting on the second and the fourth Mondays of each month. Statements submitted by the Tuesday prior to the City Council meeting will be processed for payment at the next regular Council meeting.