



Request for Quotes  
Forward Fuel Purchase Contracts  
City of Fargo  
December 2, 2013

City of Fargo is seeking price quotations for fuel purchases and delivery of product to Fargo facilities (multiple locations within city) from qualified vendors for 2014 on a quarterly basis. These fuel contracts are for #2 Diesel and No-Lead 10% Ethanol 87 octane gasoline to be delivered in 2014.

Any local freight charges are to be included in the quoted price of the fuel.

When there is a shortage of product at the pipeline and long wait times, a demurrage charge may be added after the first hour. A demurrage charge per hour must be included with the submitted quotation.

Contracts will be quarterly based with all four contracts awarded to a single vendor for the entire 2014 calendar year. Award will be determined by averaging all 4 quarters to determine low price.

The City of Fargo uses various mixtures of fuel depending on the time of year. For winter use, diesel is a blend of #1 and #2 with a cold weather additive. Bio diesel may also be used during the summer months. Additional products purchased outside of the contracted amount will be current rack price at the time of purchase. Splash blending for products like bio-diesel will be acceptable.

Delivery of gasoline at City of Fargo's new fueling site requires a vent hose to be hooked up between the tanker and tank.

Payment to vendors will be honored within 10 days of receiving product and invoice.

**Prospective vendors must fax quotations to the City of Fargo as indicated below. Verbal quotes will not be accepted.**

**Submit quotations by fax to City of Fargo, Public Works, attn. Mr. Harold Pedersen at fax number: 701-298-6971 by 9:00 AM on Thursday, December 18, 2013.**

**Staff will notarize the time when quotations arrive by fax. Contract will be awarded by 9:30 AM on Wednesday, December 18, 2013.**

The City of Fargo reserves the right to reject all quotations and request quotations to be submitted at a later date.

#### Contact for Questions

Harold Pedersen  
Fleet Services Manager  
Public Works Building  
402 23 Street North  
701-241-1460  
[hpedersen@cityoffargo.com](mailto:hpedersen@cityoffargo.com)

Ben Dow  
Director of Public Works  
Public Works Building  
402 23 Street North  
701-241-1463  
[bdow@cityoffargo.com](mailto:bdow@cityoffargo.com)

**Below, please list prices on a quarterly basis.**

Price Per Gallon will **INCLUDE** freight and/or delivery charges

**1<sup>st</sup> Quarter (Jan 1 – March 31)**

#2 Diesel Fuel	110,000	\$
No-Lead 10% Ethanol 87	55,000	\$

**2<sup>nd</sup> Quarter (April 1 – Jun 30)**

#2 Diesel Fuel	110,000	\$
No-Lead 10% Ethanol 87	55,000	\$

**3<sup>rd</sup> Quarter (July 1 – Sept 30)**

#2 Diesel Fuel	110,000	\$
No-Lead 10% Ethanol 87	55,000	\$

**4th Quarter (Oct 1 – Dec 31)**

#2 Diesel Fuel	110,000	\$
No-Lead 10% Ethanol 87	55,000	\$

		<u>Avg. \$</u>
Total Gallons #2	440,000	\$
Total Gallons No-Lead	<u>220,000</u>	\$

Demurrage charge per hour  
**after** the first hour \$ \_\_\_\_\_

Credit Card Payment Accepted	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Applicable Credit Card Fee	% _____	

**Vendor:** \_\_\_\_\_  
**Date:** \_\_\_\_\_  
**Time:** \_\_\_\_\_

# Addendum # 1

## City of Fargo

### FORWARD CONTRACT

Seller: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Buyer: City of Fargo  
200 3<sup>RD</sup> ST. N  
Fargo, ND 58102

	Delivery Period	Quantity	Product	Price
	2014			
	<b>1<sup>st</sup> Quarter</b>			
1	January 1 - March 31	125,000	#2 Diesel Fuel	
2	January 1 - March 31	55,000	No-lead Ethanol 87 Octane	
	<b>2<sup>nd</sup> Quarter</b>			
3	April 1 - June 30	125,000	#2 Diesel Fuel	
4	April 1 - June 30	55,000	No-lead Ethanol 87 Octane	
	<b>3<sup>rd</sup> Quarter</b>			
5	July 1 - September 30	125,000	#2 Diesel Fuel	
6	July 1 - September 30	55,000	No-lead Ethanol 87 Octane	
	<b>4<sup>th</sup> Quarter</b>			
7	October 1 - December 31	125,000	#2 Diesel Fuel	
8	October 1 - December 31	55,000	No-lead Ethanol 87 Octane	

Price: Quoted price is per gallon and inclusive of freight charges.

Demurrage Charge: \$\_\_\_\_\_ per hour commencing with the second (2nd) hour.  
Measurement: Terminal Meter Tickets (Gross Gallons)

Terms: Net 10 Days from Invoice Date

Sales Representative: \_\_\_\_\_  
\_\_\_\_\_

Buyer Representative: Harold Pedersen  
City of Fargo

Credit: Credit shall be approved and within the established line.

**Efficiency Payments:**

In the event Buyer does not take delivery of the contracted quantity for the delivery period, Seller can sell the volume not lifted in the open market the last 2 days of the quarter contract or the first 5 days of the following quarter contract.

If the open market price is less than the fixed forward pricing above, the City of Fargo will pay Seller the amount equal to the volume not lifted times the difference between the open market price and the fixed forward price.

If the open market price is more than the fixed forward pricing above, the Seller will pay City of Fargo the amount equal to the volume not lifted times the difference between the open market price and the fixed forward price.

**Failure to Perform**

If, during any month of the delivery period, Seller fails to deliver the contracted for volume, and such failure is not excused as provided herein, and the Replacement Price (cost incurred by Buyer to secure the contracted for volume) is greater than the Contract Price, then Seller shall be liable for and shall pay Buyer the amount equal to the volume not delivered times the difference between the Replacement Price and the Contract Price.

**Excused Performance:**

Except with regard to a Party's obligation to make payments due under this Contract, in the event either Buyer or Seller is rendered unable, wholly or in part, by unforeseeable causes to carry out its obligations, then upon notification by telephone with a subsequent written notice setting forth the specifics within a reasonable time, but not in excess of six (6) days after the commencement of the failure to perform due to unforeseeable causes, the obligations of the Party giving such notice, insofar as they are affected by such causes, from its inception, shall be excused during the entire period of any inability so caused but for no longer period.

Excused performance, as employed in this Contract will mean any event that prevents delivery or receipt of Product, including acts of God, strikes, lockouts, or industrial disputes or disturbances, civil disturbances, interruptions by government or court orders, necessity for compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction, acts of the public enemy, events affecting facilities or services of non-affiliated third parties, or any other cause of like kind not reasonably within the control of the non-performing

Party and which by the exercise of due diligence such Party could not have prevented or is unable to overcome.

**Seller Warrants:**

Seller warrants that all royalties, taxes and other sums due on production and transportation of the Fuel to the Delivery Point(s) are paid, and that it will have the right to convey and will transfer good and merchantable title to all Fuel sold hereunder and delivered by it to Buyer, free and clear of any and all liens, encumbrances and claims. All Fuel delivered will meet the ASTM standard for that product.

Seller shall pay all taxes lawfully levied on Seller applicable to the Fuel delivered to Buyer. Buyer shall pay all taxes lawfully levied on Buyer after delivery to Buyer. Price includes federal superfund and excludes all other applicable taxes. If Buyer is exempt from any taxes, Buyer shall furnish Seller with proper documentation.

If in the event of a product shortage at the local pipeline and a tanker must be sent to another pipeline outside of the metro area, the additional freight charge must be agreed upon between buyer and seller at the time of order.

**Notices:**

All billings, payments, statements, notices and communications made pursuant to this Contract shall be made as follows:

Seller: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Buyer: City of Fargo  
200 3<sup>RD</sup> ST. N  
Fargo, ND 58102

**Transfer or Assignment:**

This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective Parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withhold or delayed provided, Upon any transfer and assumption, the transferor shall not be relieved of or discharged from any obligations hereunder unless such assumption is made in the transfer/assumption agreement.

**Severability:**

If any term, provision, covenant, or condition of this Contract or the application thereof, to any party or circumstance, shall be held to be invalid or unenforceable (in whole or in part) for any reason, the remaining terms, provisions, covenants, and conditions

hereof shall continue in full force and effect as if this Contract had been executed with the invalid or unenforceable portion eliminated.

**Applicable Law:**

The Contract shall be governed in accordance with the laws of the State of North Dakota.

**Consequential and Incidental Damages**

In no event will either party be liable under this Contract, whether in contract, tort (including negligence and strict liability) or otherwise, for incidental, consequential, special or punitive damages.

**Termination of the Agreement**

This Agreement may be terminated by non-performance of the contractual obligations as set forth herein, and only by written notice. The Seller will be compensated for the Fuel delivered up to the date of termination based upon the payment terms of this Agreement. This Contract may be terminated for cause by either party upon seven (7) days' written notice in the event of substantial failure to perform through no fault of the terminating party.

**Entire Agreement:**

THE TERMS CONTAINED IN THIS CONTRACT CONSTITUTE THE ENTIRE CONTRACT OF THE PARTIES, AND THERE ARE NO CONTRACTS, UNDERSTANDINGS, OBLIGATIONS, PROMISES, ASSURANCES OR CONDITIONS, PRECEDENT OR OTHERWISE, EXCEPT THOSE EXPRESSLY SET OUT HEREIN.

DESTINATION IS CITY OF FARGO FUELING STATIONS

Dated this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_

Title  
Both Parties are Signatories)

\_\_\_\_\_  
City of Fargo (Buyer)

\_\_\_\_\_  
Title(

## **Addendum # 2**

### **Date corrections**

November 25, 2014 is corrected to read December 2, 2013

The dated in the following are corrected to read December 18, 2013

Submit quotations by fax to City of Fargo, Public Works, attn. Mr. Harold Pedersen at fax number: 701-298-6971 by 9:00 AM on Thursday, ~~December 20, 2014.~~

Staff will notarize the time when quotations arrive by fax. Contract will be awarded by 9:30 AM on Wednesday, December 18, ~~2012.~~