



CRPC #730 INVITATION TO BID Fuel Oil and Diesel ADDENDUM 1 Opportunity Q&A Answers

Can you please explain how this will be awarded? By township? By site?

Please review bid specifications. Each participating CRPC member will award its preferred vendor.

Will above ground tanks require the delivery truck to provide a pump for offloading?

This is location specific and may vary. Please see bid specifications below:

DELIVERY ARRANGEMENTS

Arrangements for deliveries will be a matter to be negotiated between each individual CRPC member and the successful vendor. Inability of a vendor to meet required delivery arrangements may be cause for the rejection of the low bid. In certain instances, vendors may be required to make automatic deliveries based on degree days.

What is the expected start date for deliveries?

This will vary between participating CRPC members.

Would the CRPC consider extending the due date?

No. Bid proposals are due on February 24th.

Which specific months will require winter additive (or Kerosene) for the diesel?

How do you currently prevent diesel from gelling in the winter (Example: Kerosene blends)? Do you blend kerosene with diesel for winterization? Will winter diesel additive be required?

This is specific to each participating member and may vary.

Please specify which tanks are above or below ground tanks.

What is the average delivery size received by each location?

How often are deliveries split between multiple locations?

Please indicate whether the tank is above or below ground for each site.

Please see bid table.

On average, at what tank capacity does Capitol Region Council of Governments order fuel?

Please provide each entity in CRCOG's payment terms.

Does CRCOG guarantee gallons for each month of the commitment?

Does CRCOG guarantee gallons for the term, July 2022-June 2023, of the commitment?

Will the Capitol Region Council of Governments pay the vendor for any unused gallons under the Fixed Price Agreement?

N/A.

Does the Capitol Region Council of Governments guarantee to purchase all gallons locked under the forward contract agreement?

N/A Please refer to bid specifications below:

INTENT

*The Capitol Region Purchasing Council (CRPC), on behalf of certain Capitol Region towns, boards of education, and agencies, requests bids for the procurement of **heating oil, ultra low sulfur diesel, biodiesel, and bioheating fuel** for the period commencing July 1, 2022 and ending June 30, 2023. Each respective CRPC member will make its own awards and payments according to the terms and conditions set forth in these specifications. A written order from each awarding CRPC member will be required before any deliveries commence.*

Note that individual contracts resulting from this Invitation to Bid may cover only a portion of the 2022-2023 fiscal year. Vendors are reminded to pay careful attention to the specific time period that their quotes should cover.

QUANTITIES

The quantities specified herein are annual estimates only and have been provided for the purpose of competitive bidding. Actual quantities will be contingent upon the total number of CRPC members which decide to make an award off of this bid (as participation is voluntary) and the needs of the using departments in each of those CRPC members.

Vendors must understand that during the course of the contract, there may be certain changes in locations, tank sizes and quantities used as well as grade of oil/type of product. Vendors will be expected to accept such changes without adjustments to the contract prices.

Will each entity be billed/invoiced under CRCOG?

No. Each individual participating CRPC member contracts directly with the vendor of their choice. Please see bid specifications and general terms and conditions.

Please provide a current diesel Bill of Lading. Please provide bill of ladings for all fuel grades on this solicitation. Please provide a current invoice for each fuel grades on this solicitation.

N/A. Each individual participating CRPC member contracts directly with the vendor of their choice. Please see bid specifications and general terms and conditions. CRCOG does not obtain any invoices or bills.

Please provide a current diesel invoice. Please provide tax exemptions / certificates. N/A.

Please see bid specifications and general terms and conditions. This is specific to each participating member and may vary.

Please provide tabulations from the most current fuel bid. Please provide all bid submission and contract documents from the last awarded bidder. Who is the current vendor? Please provide the tabulations for the current contract.

All bid results may be found at <https://crcog.org/bids/> .

Are vendors required to bid all pricing options? No.

Are vendors required to bid on all products? No.

Do the vendor's references have to be in CT? No.

Does Capitol Region Council of Governments accept e-signature? Will bids be considered responsive if electronic signatures are used? (i.e. DocuSign) Or are wet signatures required for bids to be considered responsive?

All bids should be submitted electronically to CRCOG via Bonfire, so electronic signature is acceptable on bid proposals. For contract purposes, required form of signature (e-signature or original/wet signature) will be at the discretion of the individual participating CRPC member.

When will the contract for this bid begin? Please refer to specifications below for contract term:

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Will you commit to buying all gallons purchased at a fixed price? What percentage of total volume will be locked under the fixed price agreement? How will the vendor be notified to lock the fixed/hedged price? Is Option B a fixed / hedged price proposal as a differential against the NYMEX? Is Option B the vendor's differential to the NYMEX? Please see section entitled BID PRICES within specifications below:

BID PRICES

OPTION A: Each vendor will render bids by indicating a **DIFFERENTIAL** from the New Haven Rack Average as published daily by the Oil Price Information Service (OPIS). Billing for any shipment shall be computed by adding the differential to the daily closing price for the day the delivery is taken. Such differentials may be either plus (+) or minus (-), and the low bidder will be determined by the most advantageous differential. CRPC members may request a price cap with this option. Prices bid must be held for a period of **60 days** from the opening date in order to permit individual towns/boards of education to complete any required internal evaluation process.

OPTION B: Fixed Mark-Up

A Fixed Mark-Up may be submitted in which case the price per gallon will remain fixed during the entire term of the contract. Note that in order to accommodate varying CRPC member purchasing procedures that dictate the amount of time required to make a contract award, vendors are required to hold their fixed mark-up prices for a **twenty-one (21) day period** from the opening date as per the escalation/de-escalation clause described below. **The firm pricing established by this provision will remain in effect for the duration of the awarded contract.**

TOTAL FIXED MARK-UP PRICES FOR HEATING OIL ONLY shall be calculated as follows: On the day of the bid opening, CRCOG staff will enter the closing ("settle") **NYMEX** price for **February 16, 2021** into the table as shown in Exhibit I for Heating Oil and Exhibit II for Diesel. Vendors shall use the weightings indicated in Exhibit I for heating oil and Exhibit II for diesel. Vendors mark-up shall include any and all costs of manufacture and delivery. A copy of the NYMEX strip being used will be part of the final tabulation package to provide indicative pricing. In recognition of the market's volatile nature, all bidders between the time of the bid opening and formal, written award notification will be allowed to escalate/de-escalate their bid price(s) for heating oil pursuant to inter- and intra-day fluctuations in the NYMEX until an award is made.

The intent behind using this formula is to identify the lowest responsible vendor at the time of the bid opening, as said vendor should remain low despite upward and downward swings in the NYMEX. Vendors **MUST** supply documentation **with their bid** in support of any and all mark ups added to the base price to help communities verify the validity of updated quotes offered after the bid opening to reflect changes in the NYMEX strip. Vendors shall use the OPIS New Haven Rack Average pricing during the course of the contract period to demonstrate the validity of their pricing. **The same weightings and mark ups used for the bid prices submitted must be used to calculate all subsequent escalated/de-escalated prices.**

EXHIBIT I (This is an example only, using the NYMEX settle prices for Wednesday, January 30th, 2020)

Month	Settle Price	Weighting %	Weighted Price
July	1.7115	0%	0
August	1.715	0%	0
September	1.7195	0%	0
October	1.7256	10%	0.17256
November	1.7313	15%	0.259695
December	1.7359	20%	0.34718
January	1.7392	20%	0.34784
February	1.7434	20%	0.34868
March	1.7434	15%	0.26151
April	1.7377	0%	0
May	1.7257	0%	0
June	1.7207	0%	0
			1.737465

TOTAL FIXED MARK-UP PRICES FOR DIESEL FUELS ONLY shall be calculated as follows:

Pricing for diesel fuels will be secured in the same fashion as described above for heating oil, EXCEPT that the following weighting structure (Exhibit II) shall be used.

EXHIBIT II (This is an example only, using the NYMEX settle prices for Wednesday, January 30th, 2020)

Month	Settle Price	Weighting %	Weighted Price
July	1.7115	2%	0.03423
August	1.715	2%	0.0343
September	1.7195	10%	0.17195
October	1.7256	10%	0.17256
November	1.7313	10%	0.17313
December	1.7359	10%	0.17359
January	1.7392	10%	0.17392
February	1.7434	10%	0.17434
March	1.7434	10%	0.17434
April	1.7377	10%	0.17377
May	1.7257	10%	0.17257
June	1.7207	6%	0.103242
			1.7319

The intent behind using this methodology is to identify the lowest responsible vendor at the time of the bid opening, as said vendor should remain low despite upward and downward swings in the NYMEX. Vendors will be required to supply documentation to verify the updated strip used to calculate any and all price adjustments (escalations/de-escalations) that are made to establish a final award price.

Award notification will be confirmed by telephone and followed up by fax with the lowest responsible bidder(s) on any day within 21 days of the bid opening. The NYMEX strip to be used as the basis for a final escalation/de-escalation adjustment will be selected and authorized by the awarding entity (CRPC member) and may be based on opening, intra-day or closing postings.

Prices shall include allowances for all material and work delivered complete at the appropriate place in the contracting CRPC member's facility(ies).