



Invitation to Bid  
FY24-26 Fuels, Lubrication Oils, Support Supplies, and Waste Oil Disposal Services

Issue Date: June 19, 2024  
Proposal Due Date: July 23, 2024

City of Unalaska  
Department of Public Works  
P.O. Box 610  
Unalaska, Alaska 99685  
907-581-1260

## Table of Contents

I. GENERAL.....	3
II. PURPOSE.....	3
III. SCOPE OF SERVICES.....	3
IV. QUALIFICATIONS EXPERIENCE AND REFERENCES.....	4
V. PRODUCT BID & SALE PRICING.....	4
VI. BID SUBMISSION REQUIREMENTS & SELECTION PROCESS .....	5
VII. OTHER ITEMS .....	5

## List of Attachments

Attachment A: Product Specifications and Delivery Requirements

Attachment B: Bid Form

Attachment C: Insurance Requirements

Attachment D: Fuel Supply Agreement

## I. GENERAL

The City of Unalaska is seeking bids from Fuel and Lubricating Oil dealers and Waste Oil Disposal service providers to supply the City's Heating Oil, Diesel Engine Fuels, Unleaded Gasoline, Lubricating Oils, and Miscellaneous Support Supplies, and to provide Waste Oil Disposal services. Sealed bids for will be received at the following location:

City of Unalaska  
Department of Public Works  
P.O. Box 610  
Unalaska, Alaska 99685  
Tel. 907-581-1260

Sealed bids will be received 2:00 p.m. local time on July 23, 2024 and then will be publicly opened and read aloud. Any bids received after the time and date specified will not be considered.

The estimated annual use is provided for informational purposes only and does not commit the City to meet these standards.

An electronic copy of the ITB documents may be obtained from the City of Unalaska website: <http://www.ci.unalaska.ak.us/rfps>, for no charge.

Questions regarding this ITB should be directed to:

Scott Brown, Director of Public Works Department, via email to [sbrown@ci.unalaska.ak.us](mailto:sbrown@ci.unalaska.ak.us).

Erik Hernandez, Acting Director Department of Utilities, via email to [ehernandez@ci.unalaska.ak.us](mailto:ehernandez@ci.unalaska.ak.us).

Each Bid must be submitted on Bid Form *and* accompanied by submittal information as prescribed in the "QUALIFICATIONS EXPERIENCE AND REFERENCES" section of this ITB.

A pre-bid conference will be held on Tuesday, July 2, 2024 at 2:00 p.m. at the City of Unalaska Department of Public Works. The pre-bid conference may be attended by teleconference at 1-888-204-5984, Access Code. 2005439

## II. PURPOSE

City of Unalaska is seeking bids from Fuel and Lubricating Oil dealers and Waste Oil Disposal service providers to supply the City's Heating Oil, Diesel Engine Fuels, Unleaded Gasoline, Lubricating Oils, and Miscellaneous Support Supplies, and to provide Waste Oil Disposal services.

## III. SCOPE OF SERVICES

This Invitation to Bid (ITB) is made for a two-year contract, from July 1, 2024 to June 30, 2026, with an option for two (2) one (1) year extensions if requested by the City. The form of the contract shall be Exhibit B – Fuel Supply Agreement. The purpose of the contract is to provide the City with fuel and lubricants based on actual demand. The ITB identifies estimated quantities based on historical demand. These estimates are for informational purposes only. The actual quantities required under the contract will be determined by the City's demand.

Products must meet the specifications and requirements described in this ITB. Bids must be submitted on the attached Bid Form. Bidders must provide a bid for each item on the Bid Form.

## IV. QUALIFICATIONS EXPERIENCE AND REFERENCES

Interested companies are requested to submit a completed Bid Form together with the following information, which shall be used to determine if bidders are qualified to bid on the contract.

**COMPANY PROFILE:** Provide an overview of your company, including years of experience, certifications, and any affiliations. Location of the home office and scope of services offered.

**STAFF QUALIFICATIONS:** Detail the qualifications and training of your operations and staff.

**NARRATIVE:** Briefly describe the methodology you would use to provide the services needed.

**REFERENCES:** Include references from previous or current customers, preferably customers with similar needs. The City may determine that a bidder lacking favorable references is not qualified.

**EQUIPMENT:** List of types of equipment and vehicles available for providing services. The City shall determine that a bidder is not qualified if the bidder does not identify vehicles and equipment necessary for safe and satisfactory deliver of Product.

**REGULATORY COMPLIANCE:** Oil Discharge Prevention and Contingency Plan approved by ADEC. A copy of the ODPCP is **NOT** required to be submitted with the Bid **BUT** the bidder shall identify where a copy of the plan may be found on ADEC's or the bidder's website. The City shall determine that a bidder is not qualified if the bidder does not have an approved ODPCP.

## V. PRODUCT BID & SALE PRICING

All bids shall be provided on the Bid Form. Bidders must bid on each item. The City's intent is to award a contract to a single bidder. Please carefully review the following information for how bidders are to bid on the Bulk Fuel Produces and on Packaged Products and how a contract for purchase and sale shall be structured.

### A. Bulk Fuel Products

Item Nos. 1 through 5 set forth in Attachment A: Product Specifications and Delivery Requirements are Bulk Fuel Products and shall be contract for purchase and sale at a total cost to buyer that is equal to **the Index Price plus the Seller's Price Differential.**

**The Index Price shall be the OPIS Rack (Wholesale) Price for Seattle, WA for the date that is 14 days prior to the date of the particular delivery of Bulk Fuel Product.**

**The Price Differential is the difference between the Index Price and the total sale price for the Product.** Simply put, the Price Differential is the bidder's total "markup" over the Index Price for all amounts for the seller's administrative, overhead, transportation costs and similar costs as well as seller's profit. The price paid for bulk Fuel Product shall be the Index Price plus the Price differential. No additional amounts shall be paid by the City.

For each Bulk Fuel Product, the basis of the bid shall be the bidder's Price Differential for that Bulk Fuel Product. Do **NOT** include the Index Price in your bid. In accordance with the contract, the Index Price will be determined at the date of delivery.

## B. Packaged Products

Items No. 6-9 set forth in Attachment A: Product Specifications and Delivery Requirements are Packaged Products. Bids shall be based on the bidder's proposed selling price of the Packaged Product for the initial one-year term of the contract.

Price adjustments for Packaged Products shall occur for any renewal or extended term of the contract. The bases for price adjustment for Packaged Products is set forth in paragraph 3(b) of Attachment D: Fuel Supply Agreement.

## VI. BID SUBMISSION REQUIREMENTS & SELECTION PROCESS

Bids must be submitted to the Department of Public Works at [sbrown@ci.unalaska.ak.us](mailto:sbrown@ci.unalaska.ak.us) by 5:00 P.M., July 23, 2024. Bids should be submitted via email. It is the bidder's sole and independent responsibility to timely submit their bids and bidders assume the risk of delays in delivery of mail or delay or interruption of facsimile transmissions. Note that mail service to Unalaska is regularly delayed due to bad weather. The City may, in its sole discretion, relax or extend the submission deadline if reasonably deemed necessary. **Bids shall remain open for 30 days.**

All questions or inquiries should be directed to:

Scott Brown, Director of Public Works  
City of Unalaska  
P.O. Box 610  
Unalaska, AK 99685  
[sbrown@ci.unalaska.ak.us](mailto:sbrown@ci.unalaska.ak.us)

A contract, if any, shall be awarded based upon the lowest responsive bid from a responsible bidder. The lowest bid shall be calculated based on the number of items bid.

## VII. OTHER ITEMS

The City reserves the right to reject any or all bids received. The selection of the lowest bid from a responsible bidder shall be at the sole discretion of the City of Unalaska. No agreement between the City and any bidder shall be effective until approved by the City Council of the City of Unalaska and signed by the City Manager or authorized City official. The City is not liable for any costs incurred by bidders in preparing or submitting proposals.

## Attachment A

ITB: FY24-26 Fuel, Lubricating Oils, Support Supplies, and Waste Oil Disposal

### Product Specifications and Delivery Requirements

#### Item 1: Diesel Fuel—Power House

- A. Fuel shall be ultra-low sulfur #2 diesel and meet the ASTM Industry Standards for ultra-low sulfur #2 diesel properly treated for local climate conditions with a sulfur content of 15 ppm or less, and equal to or less than .17 percent by weight. Fuel must be delivered to the Power House, 1700 East Point Road, by truck in accordance with a schedule provided by the power plant operator. Typical required daily quantities range from 7,000 gallons to 10,000 gallons. Monthly usage ranges from 170,000 gallons to 300,000 gallons depending on load conditions. The fuel will contain no Jet-A fuel or fuel with the same ASTM Standards as Jet-A. The supplier shall provide monthly certified test results to the City which includes the following: ASTM D4294, Total Sulfur by Weight; ASTM D4052, API; and ASTM D93A, Deg. C / Deg. F Flash. Samples shall be taken from the Power House and the Power Module storage tanks. The City also reserves the right to pull random samples (not to exceed twice monthly) at the Power House and generation module storage tanks and the supplier's storage tanks with shipping and sulfur analysis cost provided by the supplier.

#### Item 2: Diesel Fuel—Power Module

- B. Fuel shall be ultra-low sulfur #2 diesel and meet the ASTM Industry Standards for ultra-low sulfur #2 diesel properly treated for local climate conditions with a sulfur content of 15 ppm or less, and equal to or less than .17 percent by weight. Fuel must be delivered to the Power Module, and Pyramid Water Treatment Plant. The Power module is located at the Department of Public Works (City Shop) at 1035 E. Broadway and the Pyramid Water Treatment Plant is located at 1300 Pyramid Creek Road. Fuel will be delivered by truck in accordance with a schedule provided by the power plant operator. The Pyramid Water Treatment Plant requires fuel per the City's request due to terrain and remote location of the facility. **Upon request from the City, the facility shall be filled at capacity, typically 2,000 gallons per delivery. Fueling for the facility is typically completed between April and November, when the road and weather conditions can accommodate regular traffic.** The fuel will contain no Jet-A fuel or fuel with the same ASTM Standards as Jet-A. The supplier shall provide monthly certified test results to the City as described in Item 1, above.

#### Item 3: Diesel Fuel—Heavy Mobile Equipment and Highway Ultra Low Sulfur

- C. Fuel shall be grade #2 and meet the commercial grade and quality standards for #2 mobile equipment diesel fuel properly treated for local climate conditions. Fuel must be delivered to the Department of Public Works (City Shop) at 1035 East Broadway. Fuel shall be ultra-low sulfur #2 diesel and meet the quality standard for ultra-low sulfur #2 diesel fuel properly treated for local climate conditions. Fuel must be delivered to the Department of Public Works (City Shop) at 1035 East Broadway.

Item 4: Unleaded Highway Gasoline

- D. Unleaded fuel will be used in City automobiles and pickup trucks. Fuel shall meet all regulatory requirements for commercial unleaded gasoline. Gasoline must be delivered to the Department of Public Works (City Shop) at 1035 East Broadway.

Item 5: #1 Heating Oil

- E. Heating oil shall be grade #1 and meet the commercial grade and quality standards for #1 heating oil properly treated for local climate conditions. Heating oil must be delivered to the City facilities listed on bid form attached on an automatic refill basis, except for City Housing and Icy Creek Reservoir. City Housing will be fueled per the City's request.
  - A. A back charge of \$500 will be assessed each time a heating fuel tank is allowed to run dry.
  - B. In the event one or more heating fuel tanks are allowed to run dry, the City may, at their sole discretion, terminate heating oil contract and establish service with the next higher bidder.
  - C. The Icy Creek Reservoir requires fuel per the City request due to terrain and remote location of the facility. Upon request from the City, the facility shall be filled at capacity, typically 2,000 gallons. Fueling for the facility is typically completed between April and November, when road and weather conditions can accommodate regular traffic.

Item 6: Power House Generator Engine Lubricating Oil

- F. These oils will be used in diesel fueled, large bore generator engines. Quotes shall include specification sheets as back up. Supplier will provide sampler kits and mailers for the City's use upon request. Oil must be delivered to the Power House.
- G. For the Caterpillar engines, oil shall be Mobil Delvac MX 15-40. Cat DEO 15W-40 may be substituted for the Delvac MX 15-40. Additional substitutions meeting Caterpillar's engine oil specifications may be supplied; however, all substitutes shall be provided under the following conditions:
  - H. Thoroughly evaluated and vetted by City staff and Vendor.
  - I. Mixing of oil substitutes will not be accepted.
  - J. For changes to oil substitutes, a complete flush of previous product will be required.
  - K. The City shall not incur any cost of the transition to substitutes for the duration of this contract.
  - L. For the Wärtsilä engines, oil shall be Mobil ADL40. Substitutions meeting Wärtsilä's engine oil specifications may be supplied; however, all substitutes shall be provided under the following conditions.
    - o Thoroughly evaluated and vetted by City staff and Vendor.
    - o Mixing of oil substitutes will not be accepted.
    - o For changes to oil substitutes, a complete flush of previous product will be required.
- M. The City shall not incur any cost of the transition to substitutes for the duration of this contract.
- N. Quotes for Item Nos. 1-5 shall be the amount of the bidder's "Price Differential" above the Index Price for the item. The price paid by the City shall be the Price Differential plus the commodity's Index Price as of the date of delivery. The index used to determine the final selling price shall be the OPIS Seattle Average Wholesale Price as of the date of delivery ("Index Price"). Thus, the price paid by the City shall be the Price Differential added to the Index Price. Please quote your Price Differential only.

Item 7: Vehicle Engine Lubricating Oils

- O. These oils will be used in diesel and gasoline vehicle and mobile equipment engines and may require pumping into our system. Supplier will provide sampler kits and mailers for the City's use upon request. Oil must be delivered to the Department of Public Works (City Shop) at 1035 East Broadway.
- o A. Oil shall be SAE 30, Chevron Delo 400.
  - o B. Oil shall be SAE 15-40, Chevron Delo 400.
  - o C. Hydraulic oil, Chevron ISO 32 or equivalent.

Item 8: Support Supplies

- P. Support supplies include commercial quality oils, lubricants, coolants, cleaners, and absorbent pads as detailed on the Bid Form. These supplies must be delivered to the Department of Public Works or other City of Unalaska Department or Division location as requested at the time the order is placed.

Item 9: Used Oil Disposal

- Q. Drums of used engine oil will be picked up at the Department of Public Works, Power House, or Department of Ports and Harbors, as specified at the time of the service request, and properly disposed of by the Supplier.



## Attachment B

ITB: FY24-26 Fuel, Lubricating Oils, Support Supplies, and Waste Oil Disposal

### BID FORM

**Bidder Name:** \_\_\_\_\_

Bids must be submitted on this Bid Form. Bidders must bid on all bid items.

Bids on Item Nos. 1-5 shall be stated as the bidder's Price Differential only. The Price Differential is the difference between the Index Price and the total sale price for the Product. Please see ITB Section VI BID SUBMISSION AND SALE PRICING for further instruction on pricing.

For specifications and requirements for each Item, please see ITB Attachment A: Product Specifications and Delivery Requirements.

**Item No. 1: Diesel Fuel—Power House**

Description	Unit	Price Differential Bid
Bulk Diesel Fuel	Gal	\$

**Item No. 2: Diesel Fuel—Power Module**

Description	Unit	Price Differential Bid
Bulk Diesel Fuel	Gal	\$

**Item No. 3: Diesel Fuel—Heavy Mobile Equipment and Highway Ultra Low Sulfur**

Description	Unit	Price Differential Bid
Bulk Diesel Fuel	Gal	\$

**Item No. 4: Unleaded Highway Gasoline**

Description	Unit	Price Differential Bid
Bulk Gasoline	Gal	\$

**Item No. 5: Heating Oil**

Description	Unit	Price Differential Bid
Bulk Heating Oil	Gal	\$

**Item No. 6: Power House Generator Engine Lubricating Oil**

Description	Unit	Bid
Packaged Lubricating Oils	55 Gal. Drum	\$

**Item No. 7 Vehicle Engine Lubricating Oils**

Description	Unit	Bid
Packaged Lubricating Oils	55 Gal. Drum	\$

**Item No. 8 Supplies**

Description	Unit	Bid
Supplies	55 Gal. Drum	\$

**Item No. 9 Used Oil Disposal**

Description	Unit	Bid
Removal and Disposal of Used Lubricating Oils	55 Gal. Drum	\$

Bidder agrees that the bid shall remain open for 30 days, during such time the City may accept the bid. By submitting this bid, the bidder agrees to enter into the Fuel Supply Agreement, ITB Attachment D, if the bidder is awarded the contract.

I certify that I am duly authorized to submit this bid and bind the entity. I have read the Invitation to Bid and the attachments thereto and understand the requirements.

Name and contact information for person submitting bid:

Name \_\_\_\_\_

Signature \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Mailing Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone Number \_\_\_\_\_

Email Address \_\_\_\_\_

## Attachment C

ITB: FY24-26 Fuel, Lubricating Oils, Support Supplies, and Waste Oil Disposal

### Insurance Requirements

For the purpose of these requirements, Contractor shall have the same meaning as Seller. Contractor shall procure and maintain for the duration of the contract, at its own expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with contracted services provided by Contractor, its employees, agents or representatives.

- A. Minimum Scope and Limit of Insurance: coverage shall be at least as broad as:
1. **Commercial General Liability** shall have limits not less than \$1,000,000 per occurrence and \$2,000,000 Aggregate, including coverage for Bodily Injury and Property Damage, Premises and Operations Liability, Products and Completed Operations Liability, Contractual Liability, and Personal Injury Liability.
  2. **Commercial Automobile Liability** on all owned, hired, non-hired and rented vehicles of not less than \$1,000,000 combined single limit per accident/occurrence for bodily injury and property damage.
  3. **Environmental/Pollution Liability** applicable to the work being performed combined single limit per occurrence shall not be less than \$2,000,000 and \$2,000,000 aggregate per policy period of one year.
  4. **Workers' Compensation** insurance in accordance with the statutory coverages required by the State of Alaska, and Employers Liability insurance with limits not less than the following:

Bodily Injury by accident: \$1,000,000 per accident

Bodily Injury by disease \$1,000,000 policy limit

Bodily injury by disease \$1,000,000 each employee

5. Additional coverage may be required in the contract depending on the final scope of work and activity.

If Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City of Unalaska, its officials, employees, volunteers or agents (collectively, "the City"), shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

#### B. Additional Insurance Provisions

1. **Acceptability of Insurers and Cancellation Notification:** Contractor shall place coverage with insurance companies rated A-:VIII by A.M. Best Company, or companies specifically approved by the City. These policies providing coverage shall contain provisions and endorsements stating that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice.
2. **Additional insureds:** The City shall be covered as additional insured as respects liability arising out of contracted services performed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City and this additional insured status must be endorsed upon the Commercial General Liability policy, Environmental/Pollution Liability policy and Commercial Auto Liability Policy. This provision applies regardless of whether or not the City has received an additional insured endorsement from the insurer.
3. **Primary Coverage:** For any claims related to contracted services performed by the Contractor, Contractor's insurance coverage shall be primary coverage as respects the City. Any issuance of self-

insurance maintained by the City shall be excess of Contractor's insurance and shall not contribute with it.

4. **Waiver of Subrogation:** There shall be no right of subrogation against the City for losses arising out of contracted services provided by Contractor by any insurer of Contractor and this waiver of subrogation shall be endorsed upon the Commercial General Liability, Commercial Auto, Environmental/Pollution Liability and Workers' Compensation policies. This provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
5. **Deductibles and Self-Insured Retentions:** Any deductibles or self-insured retentions shall be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, or Contractor shall be required to procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expense.
6. **Verification of Coverage:** Before service begins Contractor shall furnish the City with Certificates of Insurance on standard Acord forms evidencing required insurance coverage, including all required amendatory endorsements. Failure to obtain the required certificates and endorsements prior to beginning service shall not waive Contractor's obligation to provide them and shall not affect the coverage provided to the City. Acceptance of Certificates of Insurance with deficient or erroneous coverage does not absolve Contractor from carrying and maintaining the required coverage.

Certificates of Insurance shall be prepared and emailed to:

**Certificate Holder:** City of Unalaska, Dept. of Public Works  
PO Box 610, Unalaska  
Unalaska, AK 99685

**Email to:** [sbrown@ci.unalaska.ak.us](mailto:sbrown@ci.unalaska.ak.us) and [risk@ci.unalaska.ak.us](mailto:risk@ci.unalaska.ak.us)

The City reserves the right to request complete, certified copies of full insurance policies, including endorsements.

7. **Sub-Contractors Coverage:** If the Contractor employs sub-Contractors to perform any work hereunder, the Contractor agrees to require such sub-Contractors to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work or service hereunder, policies of insurance which comply with all requirements. This requirement is applicable to sub-Contractors of any tier. It is further agreed, that upon request by the City, the Contractor will provide copies of any and all sub-Contractor certificates of insurance and endorsements for review of compliance.
8. **Maintenance of Coverage:** Failure by the Contractor to maintain the required insurance coverage or to comply with the above, may, at the option of the City, be deemed defective work and remedied in accordance with the service contract.
9. **Notification of Change in Requirements:** The City reserves the right to modify these insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances, after 30 days prior written notification to Contractor.

## Attachment D

ITB: FY24-26 Fuel, Lubricating Oils, Support Supplies, and Waste Oil Disposal

### Fuel Supply Agreement

This Fuel Supply Agreement ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_ 2024, by and between City of Unalaska ("Buyer"), whose address is P.O. Box 610, Unalaska, Alaska 99685 and \_\_\_\_\_ ("Seller"), whose address \_\_\_\_\_

WHEREAS, Buyer issued an that certain Invitation to Bid: FY24-26 Fuels, Lubrication Oils, Support Supplies, and Waste Oil Disposal Services ("ITB");

WHEREAS, Seller submitted a Bid, attached hereto as Attachment B, and Seller was selected for award of this Agreement on the basis of that Bid; and

WHEREAS, Buyer desires to purchase from Seller, and Seller is willing to sell to Buyer, for delivery to certain petroleum products subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. **Purchase and Sale.** Subject to the terms and conditions of this Agreement, Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, all of Buyer's need for the Products described in ITB Attachment A: Product Specifications and Delivery Requirements, which is attached hereto and incorporated herein, that is required by Buyer during the term of this Agreement.

2. **Term.**

a. The Initial Term of this Agreement will be for the period commencing on the date hereof and ending on June 30, 2026 unless sooner terminated or extended pursuant to the provisions of this Agreement.

b. At the Buyer's option, the term of this Agreement may be extended for up to two additional one-year terms ("Extension Term"). To exercise an Extension Term, Buyer shall give Seller written notice of Buyer's intent to extend the term not less than 60 days before the end of the current term.

3. **Price.** The Item bid prices set forth in Attachment B shall be the basis of the selling price of the Product as s set forth in this section.

a. **Bulk Fuel Products.** The per unit selling price for Bulk Fuel Products, Item Nos. 1 through 5, shall be the sum of the Index Price plus the Price Differential for the Product. The Price Differential is the amount set for the Product in Attachment B. The Index Price shall be the OPIS Rack (Wholesale) price for that Product as of the date 14 days prior to the date of the particular delivery of the Product. The unit price shall be multiplied by the quantity sold to determine the amount owed.

b. **Packaged Products.** For the Initial Term, the per unit selling price for Bulk Fuel Products, Item Nos. 6 through 9, shall be the Bid price set forth in Attachment B. The unit price shall be multiplied by the quantity sold to determine the amount owed. For any Extension Term, the unit price shall be adjusted as set forth below:

i. For each and any Extension Term, the unit price for Bulk Fuel Products shall be adjusted upward or downward in proportion to the percentage change between the July 1, 2024 OPIS Rack (Wholesale) Price for Seattle for ultra-low sulfur #2 diesel and the July 1, 2026 price for any first Extension Term and July 1, 2027 for any second Extension Term.

- ii. Within the first 30 days of any Extension Term, the parties shall memorialize the adjusted prices for Packaged Products for that Extension Term determined in accordance with this section.

c. Seller shall obtain and pay the cost of obtaining whatever permissions are required to be obtained from any governmental authority, any tribal authority, or any other third party at the place of delivery in order for Seller to deliver Product under this Agreement. Seller shall be responsible for payment of any and all taxes, now or hereafter imposed by federal, state, local, or tribal governments in respect to or measured by the Product delivered hereunder or the manufacture, storage, delivery, receipt, exchange or inspection thereof. Seller shall be responsible for payment of all waterborne tariffs and charges to the place of delivery, including all charges at port of origin and intermediate ports. Seller shall be responsible for payment of any and all tariffs, port charges, fill line usage charges, dockage and wharfage charges, handling fees, user fees, line handling charges, and any other fees and charges of any kind whatsoever imposed or demanded by any federal, state, or local government, any tribal authority, or any other third party at the place of delivery.

**4. Payment.** Payment for all Product being purchased by Buyer shall be made within 30 days of delivery. In the event payment is not received by Seller as and when required under this Agreement, and in addition to any other remedies available to Seller by reason of Buyer's default, Seller may charge interest on all amounts due under this Agreement at the rate of 7.5% per annum.

**5. Delivery, and Quantity.**

a. For the purposes of this Agreement, Bulk Fuel Product shall mean Item Nos. 1 through 5 and Packaged Product shall mean Item Nos. 6 through 9 as described in Attachments A and B.

b. Delivery of Product under this Agreement shall be to the locations described in Attachment A. Buyer or its designee may be present at delivery, and any designee shall have full authority to act on behalf of Buyer with respect to such delivery and shall have been advised of the terms of this Agreement.

c. Bulk Fuel Product shall become the property of Buyer, and title and risk of loss shall pass from Seller to Buyer, upon delivery of the Product into the Buyer's storage tank. The parties will cooperate with each other to develop a mutually acceptable delivery times.

d. Packaged Product shall become the property of Buyer, and title and risk of loss shall pass from Seller to Buyer, upon delivery of the Product as described in Attachment A.

e. Buyer agrees to provide written notification regarding its volume requirements any time it anticipates a change in annual requirements that exceeds 20% of Buyer's original estimates as set forth in the ITB.

**6. Warranties.**

a. Seller warrants that all Product delivered hereunder shall have been conform to the requirements and specifications set forth in Attachment A.

b. Buyer warrants that Buyer's storage facilities, fixtures, and equipment to which Product is to be delivered under this Agreement shall be in good condition and shall comply with all applicable federal and state laws and regulations.

**7. Pollution.**

a. Buyer and Seller shall comply with all federal, state, and local laws and regulations relating to oil spills and water, air, and land pollution.

b. Buyer shall be responsible for all damages, if any, that may result from any spill, leak, venting, or other escape or accidental discharge of Product in to the extent caused by breach of Buyer's

warranty set forth in paragraph 6(a); PROVIDED, however that Buyer shall not be responsible for damages resulting from any escape or accidental discharge to caused by Seller's negligence.

c. Seller shall be responsible for all damages, if any, that may result from any spill, leak, venting, or other escape or accidental discharge of Product in connection with the delivery, receipt or storage of any Product purchased under the Agreement; PROVIDED, however that Seller shall not be responsible for damages resulting from any escape or accidental discharge to the extent caused by breach of the warranty set forth in paragraph 6(a).

**8. Insurance.** Seller shall obtain, and maintain for the duration of the Initial Term and any Extension Term, the insurance requirements set forth in ITB Attachment C, INSURANCE REQUIREMENTS, incorporated herein by reference.

**9. Indemnification.** Seller covenants and agrees to defend, indemnify and hold harmless Buyer, its officers, employees, agents, subcontractors, insurers, successors and assigns from and against each and every demand, claim, cause of action, liability, damage, loss, cost and expense (including, but not limited to, reasonable attorney's fees and expenses) arising from or relating to (a) any breach of Seller's representations or warranties under this Agreement; (b) any breach of Seller's obligations under this Agreement; (c) any act or omission of Seller, its officers, contractors, subcontractors, licensees, agents, servants, employees, invitees or visitors in connection with this Agreement or concerning the Product; PROVIDED, however, that Seller shall not be under any obligation to defend, indemnify or save Buyer harmless against claims to the extent arising out of Buyer's caused by breach of the warranty set forth in paragraph 6(a). All of Seller's obligations and liabilities under this paragraph shall survive expiration or other termination of this Agreement.

**10. Quantity and Meter Tickets.** Quantities shall be measured in units identified by Seller unless otherwise required by law. Where quantity is stated in terms of volume, it shall be determined by measuring and gauging the Product either in the tanks to or from which delivery is made both immediately before and immediately after delivery, or by using meters where meters are available. If delivery meters are available, built-in temperature compensators may be employed. All such volume measurements shall be taken in accordance with the API Manual of Petroleum Measurement Standards and converted to net gallons at sixty degrees Fahrenheit in accordance with the appropriate Table 6 of ASTM D-1250 in its latest version for the Product carried. Gross Standard Volume is defined in the January 1982 Annex to Chapter 1 of the API Manual of Petroleum Standards. For purposes of this Agreement, a "gallon" is a U.S. standard gallon of 231 cubic inches at 60 degrees Fahrenheit.

**11. Force Majeure.** No failure or omission by Seller to carry out or to observe any of the terms, provisions or conditions of this Agreement shall be deemed a breach of this Agreement if such failure or omission is caused by or arises out of war, hostilities, acts of a public enemy or belligerents, sabotage, blockage, revolution, insurrection, riot, disorder, arrest or restraint of princes, rulers or peoples, expropriation, requisition, confiscation, nationalization, embargoes, export or import restrictions, rationing, or allocation, whether imposed by law, or by voluntary cooperation of industry at the insistence or request of any government, authority or person purporting to act under some constitution, decree, law, or otherwise, acts of God, fire, frost or ice, earthquake, storm, lightning, tide, tidal wave, water levels or perils of the sea or any other body of water, accidents of navigation, or breakdown or injury of vessels, loss of tanker tonnage due to sinking by belligerents or to government taking whether or not by formal requisition, accidents to, closing of harbors or inaccessibility of docks, canals, channels, landings or other assistances to or adjuncts of shipping or navigation, whether imposed by some authority or as determined by the captain of any vessel, epidemic, quarantine, strikes or combination of workmen, lockouts or other labor disturbances, explosion, accidents by fire or otherwise to wells, pipes, storage facilities, refineries installations, machinery or other facilities, unavailability of Product or materials or equipment or any event, matter or thing wherever occurring and whether or not of the same class or kind as those above set forth, which shall not be reasonably within the control of Seller.

**12. Authority.** Buyer and Seller represent and warrant to that at the date of execution hereof that the person signing on behalf of such party has full power and authority to execute this Agreement and to perform the obligations hereunder and that the party has taken all necessary action to authorize this transaction.

13. **Notice.** All notices required or permitted to be given under this Agreement shall be in writing and (i) delivered personally to the designated officer of the party to whom directed; or (ii) sent by registered or certified United States mail, postage prepaid, return receipt requested. All such notices shall be addressed to the party to whom directed as follows:

**Buyer:** Public Works Director  
City of Unalaska  
P.O. Box 610  
Unalaska, Alaska 99685

**Seller:**

Either party may change the address for receipt of written notice by notice to the other party in writing.

14. **Governing Law & Forum.** This Agreement shall be construed and interpreted in accordance with, and governed and enforced in all respects by, the laws of the State of Alaska. In the event of a dispute under or as to the terms of this Agreement, the parties agree that jurisdiction and venue shall lie exclusively in the state courts of the Third Judicial District, Alaska.

15. **Assignment.** This Agreement may not be assigned by without the prior written consent of Seller, which consent may not be unreasonably withheld. Without limiting the foregoing sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties' successors and assigns.

16. **Waiver.** The failure of either party to insist on the strict performance by the other party of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute waiver of any provision of this Agreement or limit either party's rights thereafter to enforce any provision or exercise any right, unless such waiver is evidenced in writing and executed. Any waiver shall extend only to the particular performance or breach so waived and shall not limit either party's rights with respect to any future performance or breach.

17. **Integration and Modification.** This Agreement together with the Exhibits thereto shall constitute the entire sole understanding of the parties with respect to the subject matter herein and supersedes any prior oral or written representations or agreements concerning the same. Buyer and Seller warrant that they are not relying on any representations other than those contained in this Agreement. No modification of the Agreement shall be binding unless such modification is in writing and executed by both parties subsequent to the date hereof. The paragraph headings in this Agreement are for convenience and reference only, and do not modify the provisions of this Agreement.

**IN WITNESS WHEREOF** Seller and Buyer have executed this Agreement on the date first written above.

**BUYER**

Dated: July \_\_\_\_, 2024.

\_\_\_\_\_  
Bil Homka  
City Manager  
City of Unalaska

**SELLER**

Dated: July \_\_\_\_, 2024.

\_\_\_\_\_  
Name  
Title  
Entity