

PMB 01231
BUREAU OF ADMINISTRATION
OFFICE OF PROCUREMENT MANAGEMENT
523 EAST CAPITOL
PIERRE, SD 57501-3182
(605) 773-3405
FAX (605) 773-4840



LP GAS
NOTICE OF AWARDS

Buyer: Scott Nelson
Phone: 605-773-4275
Fax: 605-773-4840
Email: Scott.Nelson@state.sd.us

Date: June 13, 2016

- 1. Contract Term:** This notice establishes contract(s) resulting from Solicitation # 634 for a period of one year, from July 1, 2016 through June 30, 2017 inclusive. The Solicitation and the vendor's response, along with the South Dakota Vendor's Manual are made part of the vendor's contract by this reference.
- 2. Extension:** The State shall have the option, at the State's sole discretion, to extend the contract(s) resulting from this Solicitation for an additional two (2) months past the original contract expiration date. The State may renew this contract for up to four (4) additional one (1) year periods. Notice shall be given by the State to the vendor at least 60 days prior to the termination of the contract, and the vendor shall agree to such extension within 30 days thereafter, before such extension period shall become effective.
- 3. Pricing:** All margin prices quoted in the referenced proposal are firm for the term of this contract. Base price shall be adjusted daily. The adjustments for the day will be made immediately upon receipt of 'DTN' and available on the Internet for the State agencies using the contract. In the event that 'DTN' is not published for a period of time, the "unbranded average price" indicated in the last published edition shall apply until the next published issue is received. The using agencies shall access the Internet for the daily price changes. Should 'DTN' cease publication, change method of publishing prices, or change product designations as currently listed, an agreement may be made by the parties on a new price determination method during the contract period or the contract shall be terminated. The listing for Rapid City will be a Statewide average of the daily propane listings from the other two sites.

Vendors will be authorized to invoice State accounts the adjusted price for orders received. Product is to be billed at the price in effect on the date the product was ordered when the fuel is delivered on that date. Orders made after 1:00PM CST that are not delivered on that date are to be billed at the next day's pricing.

If a product ordered is not available the agency is authorized to buy from a non-contract vendor or wait to be notified by the contractor when the fuel is available to be re-ordered.

If the open market price in the local area covered by a specific contract is \$.025 or more cents per gallon under the vendor's price, a state agency may purchase the less expensive product after first giving the vendor an opportunity to meet the lower price.

- 4. Delivery:** The contractor shall furnish and deliver all of the awarded items of supplies, equipment, and commodities enumerated in the schedules and specifications, at the price and according to the terms and conditions, and of the kind, quality, and amounts and at the times specified in the schedules and specifications. The supplies, equipment

and commodities shall be delivered to the Director of the Office of Procurement Management or to such State Department or State agency as he shall direct and such delivery shall be made without cost to the State.

All orders shall be shipped FOB Destination with all transportation and handling charges paid for by the vendor **and shall be made within 48 hours from the date of order.**

5. In the event of the inability or failure of the contractor to furnish and deliver any item or items enumerated in the schedules and specifications at the time and in accordance with the terms and conditions therein provided, the Director of the Office of Procurement Management may contract for or purchase such supplies, equipment, and commodities in the open market and the contractor shall make good the excess over the price named in the schedule and specifications and the cost of such supplies, equipment, and commodities in the open market provided however, that the foregoing provisions shall not apply where other penalties for any default in the performance of the conditions of this contract are provided for in the schedules and specifications.
6. All delivery tickets, invoices and statements shall show the purchase order number, brand or trade name and State Item Number when applicable as shown in this contract. Invoices must be submitted in duplicate to the State Agency ordering the merchandise. **DO NOT SUBMIT STATEMENTS OR INVOICES TO THE OFFICE OF PROCUREMENT MANAGEMENT AS IT ONLY DELAYS PAYMENT.**
7. **Unless otherwise indicated, payment for items on the contract(s) may be made with the South Dakota Purchasing Card (Citibank Master Card). State agencies may use the Purchasing Card when making purchases of \$1000.00 or less per transaction.**



Steven L. Berg, Director
Office of Procurement Management

CONTRACTORS

<p>Burke Oil Company 1200 East King Chamberlain, SD 57325 Contact: Bob Burke Phone: 605-734-6905 Fax: 605-734-5784 Email: burkeoil@qwestoffice.net</p> <p>Vendor # 12042906 Contract: # 16960</p>	<p>Country Pride Coop PO Box 529 Winner, SD 57580 Contact: David Hartley Phone: 605-842-2711 Fax: 605-842-2715 Email: dhartley@countrypridecoop.com</p> <p>Vendor # 12051912 Contract # 16961</p>
<p>Enning Propane PO Box 55 Enning, SD 57737 Contact: Todd Keffeler Phone: 605-985-5406 Fax: None Email: enningpropane@goldenwest.net</p> <p>Vendor # 12483474 Contract # 16962</p>	<p>Farmer's Alliance PO Box 1286 Mitchell, SD 57301 Contact: Darwin Zeffoss Phone: 605-352-6492 Fax: 605-352-7360 Email: Darwin.Zeffoss@chsinc.com</p> <p>Vendor # 12020868-37 Contract # 16963</p>
<p>Friman Oil & Gas 603 W. Sioux Ave Pierre, SD 57501 Contact: Jeff Friman Phone: 605-224-5971 Fax: 605-224-5974 Email: jeff.frimanoil@midco.net</p> <p>Vendor # 12045142 Contract # 16964</p>	<p>Nelson's Oil & Gas 1346 Galveston Ave. Hot Springs, SD 57747 Contact: Richard Nelson Phone: 605-745-4189 Fax: 605-745-4188 Email: nelsonsoil@gwtc.net</p> <p>Vendor # 12035410-09 Contract # 16965</p>
<p>North Star Energy, LLC 721 S State Str Aberdeen, SD 57401 Contact: Terry L. Heinz Phone: 605-225-6383 Fax: 605-225-6389 Email: theinz@nstarenergy.net</p> <p>Vendor # 12062061-02 Contract # 16966</p>	<p>Sioux Valley Coop PO Box 965 Watertown, SD 57201 Contact: Jared Landmark Phone: 605-886-5829 Fax: 605-886-4995 Email: jlandmark.svc@midconetwork.com</p> <p>Vendor # 12030270 Contract # 16967</p>

<p>Slater Oil and Gas 1007 E. Grand Crossing Mobridge, SD 57601 Contact: Kent Slater Phone: 605-845-3744 Fax: 605-845-3745 Email: slateroil@midconetwork.com</p> <p>Vendor # 12035830-02 Contract # 16968</p>	<p>Southwest Grain 1722 Highway 22 South Dickinson, ND 58601 Contact: Jim Renke Phone: 701-483-5157 Fax: 701-483-5160 Email: jim.renke@swgrain.com</p> <p>Vendor # 12020868-09 Contract # 16969</p>
<p>Stern Oil Company PO Box 218 Freeman, SD 57029-0218 Contact: Gillas J. Stern Phone: 605-925-7999 Fax: 605-925-4367 Email: gillas@sternoil.com</p> <p>Vendor # 12036633 Contract # 16970</p>	<p>UPI Petroleum Inc. 313 West 4th Ave Milbank, SD 57252 Contact: Richard Hentges Phone: 605-432-5561 Fax: None Email: upi@tnics.com</p> <p>Vendor # 12009473 Contract # 16971</p>

PRICE INFORMATION:

Prices for propane fuel are to be computed using the "price adjustments" method set forth herein:
The total price of the product delivered to destination shall consist of two components. These components are:

- A) Base Price (DTN Published Prices "Unbranded Averages" for Propane)
- B) Bid Price (Vendor Margin which includes all costs other than those in Base Price above). The margin price MUST include all costs, e.g., perc. fees, freight, transportation, etc. associated with providing and the delivery of LP Gas.

BASE PRICE:

The base price shall be the "unbranded" average price for propane as reported by an industry daily publication entitled "Data Transmission Network Corporation" (DTN). The "unbranded" average price, for each terminal in South Dakota, as published in the FastRacks report for each fuel, will be the base price. The State of South Dakota reserves the right to use Contract Averages for any sites where unbranded data is insufficient or out of fuel situations occur.

Bidders should use the abbreviations shown below to indicate, in the designated column on the bid pages, which terminal will be used as the source of fuel for each location for which a bid is provided. This will be the determining factor from which the DTN price will be based. DTN is published each day by www.dtenergy.net.

RC: Rapid City

WS: Wolsey

YK: Yankton

Listing for Rapid City will be a statewide average of the daily propane listings from the other sites.

BID PRICE

The bid price shall be the margin the bidder quotes above the base price. The bid price shall be firm for the full term of the contract.

Bidders shall indicate only the bid price on the pricing schedules provided at the end of this packet. Do not indicate the total price per gallon.

All bid prices are to be expressed as a decimal. For example:

If the bid price is five and three quarters cents per gallon, express as 0.0575. If the bid price is three quarters of a cent per gallon, express as 0.0075. Negative Margins must be bid as a minus number in parentheses. Example (-.0001)

PRICE ADJUSTMENT

Base Price – Base price shall be adjusted daily. The adjustments for the day will be made immediately upon receipt of "DTN" and available on the Internet for the State agencies using the contract resulting from this solicitation. Link: http://www.state.sd.us/boa/opm/state_contracts.htm

In the event that "DTN" is not published for a period of time, the "unbranded" average price indicated in the last published edition shall apply until the next published issue is received. The using agencies shall access the Internet for the daily price changes.

Should "DTN" cease publication, change method of publishing prices, or change product designations as currently listed, an agreement may be made by the parties on a new price determination method during the contract period or the contract shall be terminated.

Transport Tankwagon Propane:

The price will be adjusted in dollars, up or down in an amount equal to the "unbranded" average price change for the product as published by the [Data Transmission Network Corporation](http://www.data-transmission.com) for each day.

Vendors will be authorized to invoice State accounts the adjusted price for orders received. Product is to be billed at the price in effect on the date the product was ordered when the fuel is delivered on that date. Orders made after 1:00PM CST that are not delivered on that date are to be billed at the next day's pricing.

If a product ordered is not available the agency is authorized to buy from a non-contract vendor or wait to be notified by the contractor when the fuel is available to be re-ordered.

If the open market price in the local area covered by a specific contract is \$.025 or more cents per gallon under the vendor's price, a state agency may purchase the less expensive product after first giving the vendor an opportunity to meet the lower price.

Unbranded LP Gas is acceptable but must conform to Gas Processors Association (GPA) Standard 2140.

All quantities indicated in this formal solicitation are estimated. The State does not guarantee the purchase of any minimum or maximum quantity during the term of the contract.

ALL ORDERS SHALL BE SHIPPED F.O.B. DESTINATION WITH ALL TRANSPORTATION AND HANDLING CHARGES PAID BY THE VENDOR AND SHALL BE MADE WITHIN 48 HOURS FROM THE DATE OF ORDER.

VENDORS WILL SUBMIT INVOICES TO THE STATE AGENCIES AT LEAST ONCE A MONTH.