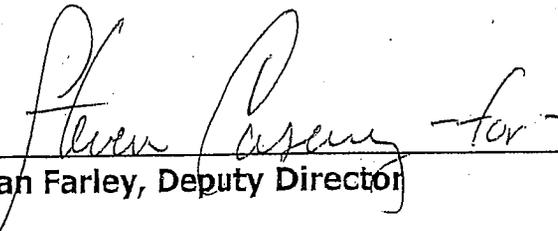




Department of General Services
Procurement Division
707 Third Street, 2nd Floor
West Sacramento, CA 95605-2811

State of California
CONTRACT NOTIFICATION
****MANDATORY****

CONTRACT NUMBER:	1-07-91-04-C
DESCRIPTION:	E85 (Ethanol) Fuel
CONTRACTOR(S):	First Fuel Inc.
CONTRACT TERM:	12/03/2007 – 12/02/08 (Southern Region)
DISTRIBUTION LIST:	Posted Electronically on http://www.pd.dgs.ca.gov/contract/91-04.htm
STATE CONTRACT ADMINISTRATOR:	Michael Aguilio (916) 376-5482 michael.aguilio@dgs.ca.gov



Adrian Farley, Deputy Director

Effective Date: **12/03/2007**

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1. OVERVIEW

One (1) statewide contract have been awarded for E85 (Ethanol) fuel for the southern region. The contractor for this contract shall supply the product as identified in the contract and will be the primary point of contact for data collection, reporting, and distribution of E85 (Ethanol) fuel.

Contract No.	Area	Contractor	Effective Dates
1-07-91-04-C	Southern Region	First Fuel Inc.	12/03/07 – 12/02/2007

The region area is defined as follows: Southern California Region Counties:

Imperial	Los Angeles	Riverside	San Luis Obispo
Inyo	Mono	San Bernardino	Santa Barbara
Kern	Orange	San Diego	Ventura

2. SCOPE

This user instructions apply to the above contract and to the one-year requirements of the State of California and participating local agencies for E85 (Ethanol) fuel. The contract includes an option for two (2), one (1) year contract extensions.

The contractor shall permit local governmental agencies to participate under this contract. Local government agencies are defined as "any city, county, city and county, district or other governmental body or corporation, including the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges", empowered to expend public funds for the acquisition of products, per Public Contract Code Chapter 2, Paragraph 10298 (a) (b).

Local governmental agencies shall have the same rights and privileges as the State under the terms of this contract. Any agencies desiring to participate shall be required to adhere to the same responsibilities as do State agencies and have no authority to amend, modify or change any condition of this contract.

3. CONTRACT PRICING STRUCTURE

The contract cost is based on two factors: Region Base Market Cost and the Differential Cost. The following formula outlines the contract price per gallon to be paid by the ordering agency.

Contract Pricing Formula:

$$\text{REGION BASE MARKET COST} + \text{DIFFERENTIAL} = \text{COMPOSITE COST}$$

(Total Price per Gallon)

Region Base Market Cost: Calculated weekly by the State's Contract Administrator and is available on the DGS website at www.pd.dgs.ca.gov/contract/fuelrates.

Differential:

The differential cost for this contract is listed as:

Differential
0.4200

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4. PUBLICATION POSTING

The Department of General Services, Procurement Division tracks and monitors fuel changes. Procurement Division will prepare and e-mail to the contractors a posting daily of REGION BASE MARKET COST for all fuels. Procurement Division shall additionally post on the Internet the consolidated weekly base prices each Monday or the first working day of the week. The weekly posting shall include the daily price changes. The contractor shall forward a copy of the Procurement Division weekly posting to all delivery locations that have been invoiced for payment to substantiate the accuracy of the base pricing on the invoice. The fuel rates can be accessed and viewed on Procurement Division's web site at (www.pd.dgs.ca.gov/contract/fuelrates).

5. CONTRACT USAGE/RULES

- A. The use of this contract is mandatory for all State agencies. Other branches of government, constitutional officers, other State agencies such as California State Universities and local governments can also take advantage of this competitively bid contract.
- B. Local governmental agency use of this contract is optional. While the State makes this contract available to local governmental agencies, each local governmental agency should determine whether this contract is consistent with its procurement policies and regulations.
- C. Ordering State departments must adhere to all applicable State laws, regulations, policies, best practices, and purchasing authority requirements, e.g. California Codes, Code of Regulations, State Administrative Manual, Management Memos, and State Contract Manual Volume 2 and 3, as applicable.
- D. Prior to placing orders against this contract, State departments must have been granted purchasing authority by the Department of General Services, Procurement Division (DGS/PD) for the use of the State's statewide contract. The department's current purchasing authority number must be entered in the appropriate location on each purchase document. Departments that have not been granted purchasing authority by DGS/PD for the use of the State's statewide contract may access the Purchasing Authority Application at <http://www.pd.dgs.ca.gov/deleg/pamanual.htm> or may contact DGS/PD's Purchasing Authority Management Section by e-mail at pams@dgs.ca.gov.
- E. State departments and local agencies are required to have a Department of General Services (DGS) agency billing code prior to using this contract. DGS agency billing codes may be obtained by contacting the DGS billing code contact and providing the following information:
 - State Department or Local Government Name
 - Contact name
 - Telephone number
 - Mailing address

Email the required information to the following DGS billing code contacts:

- Marilyn.ebert@dgs.ca.gov and
- Wilson.lee@dgs.ca.gov

6. DGS ADMINISTRATIVE FEES

The DGS will bill each State department and local agency an administrative fee for use of this statewide contract. The administrative fee should NOT be included in the order total, nor remitted before an invoice is received from DGS. (You may click on "DGS Price Book" at: <http://www.ofs.dgs.ca.gov/Price+Book/P/Purchasing.htm> for current fees.)

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7. CONTRACT ADMINISTRATION

Both the State and the contractor(s) have assigned contract administrators as the single points of contact for problem resolution and related contract issues.

State Contract Administrator: Michael Aguilio
Address: DGS/Procurement Division
707 Third Street, 2nd Floor North
West Sacramento, CA 95605
Telephone: (916) 376-5482
Facsimile: (916) 375-4613
E-Mail: michael.aguilio@dgs.ca.gov

Contract 1-07-91-04-C (Southern Region):

Contractor Name: First Fuel Inc.
Address: 25 Minnesota
Irvine, CA 92606
Contract Administrator: Janice Kaufman
Telephone: (877)-786-3285
Facsimile: (949)-551-1031
E-Mail: jkaufman@firstfuel.net

8. PROBLEM RESOLUTION

Ordering departments and/or contractors shall inform the State's contract administrator of any technical or contractual difficulties encountered during contract performance in a timely manner. This includes and is not limited to informal disputes, supplier performance, outstanding deliveries, etc.

9. PURCHASE EXECUTION

A. State departments must use the Purchasing Authority Purchase Order (Std. 65). An electronic version of the Std. 65 is available at the Office of State Publishing web site: <http://www.dgs.ca.gov/osp> (select Standard Forms). All Purchasing Authority Purchase Orders (Std. 65) must contain the following information:

- Agency Order Number (Purchase Order Number)
- Agency Billing Code
- Leveraged Procurement Number (Contract Number)
- Purchasing Authority Number
- Agency Name
- Delivery Site
- Region
- Description
- Region Base Market Cost
- Differential Cost
- Composite Cost (Region Base Market Cost + Differential) Per Gallon Extension Price
- Quantity

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B. Local governmental agencies may use their own purchase document. The purchase documents must include the same data elements as listed above (Exception: Purchasing Authority Number is used by State departments only). The contractors will not accept purchase documents from local agencies without a State issued billing code.

C. All State and local agencies will submit a copy of executed purchase documents to:

DGS/Procurement Division (IMS# Z-1)
Attn: Data Entry Unit – Second Floor
707 Third Street, 2nd Floor North
West Sacramento, CA 95605-2811

10. ORDERING PROCEDURE:

State departments must submit a Purchasing Authority Purchase Order (Std. 65) directly to the contractor(s). Local agencies must submit a local agency purchase order directly to the contractor(s).

There are two (2) ordering methods available on this contract:

- U.S. Mail
- Facsimile

When using any of the two (2) ordering methods, all State departments must conform to proper State procedures.

Contractors Ordering Information

The ordering information for each contract is listed below:

CONTRACT 1-07-91-04-C (Southern Region)	
Company Name:	First Fuel Inc.
Address:	25 Minnesota. Irvine, CA 92606
Facsimile:	(949)- 551-1031

1. ORDER LIMITS

Minimum delivery quantity shall be: Seventy percent (70%) of tank capacity for below ground tanks and sixty percent (60 %) of tank capacity for above ground tanks. Minimum order must be at least 2500 gallons. Deliveries for less than the minimum order quantity shall be delivered at the contract price plus a "PREMIUM" of not more than ten cents (\$0.10) per gallon.

2. ORDER ACKNOWLEDGEMENT

The contractors will provide the ordering agencies with an order receipt acknowledgement containing a unique order number either via e-mail or facsimile within 48 hours of receipt of order.

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The acknowledgement will include:

- Agency Order Number (Purchase Order Number)
- Total Cost
- Delivery Date

3. DELIVERY SCHEDULES

Delivery shall be made to the specified locations listed on Attachment A – Locations of Delivery Sites except by written authorization from Procurement Division. Ordering agencies without delivery locations specified on the Attachment A should complete a Delivery Location Addition Request Form (located online at <http://www.pd.dgs.ca.gov/contract/91-04.htm>) and submit it directly to the State's Contract Administrator.

All deliveries made in a tank wagon must be metered. Deliveries to remote locations may, by mutual agreement with the receiving location and the contractor(s), be delivered on a regularly scheduled "keep full" basis, with no additional charges to the State.

- B. Regular Delivery: Delivery is to be completed in full within three (3) working days after receipt of order (ARO) by the contractor during regular working hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, except State observed Holidays.
- C. Urgent Delivery: Contractor shall make urgent deliveries during regular working hours for minimum delivery requirements within one (1) working day ARO at NO ADDITIONAL COST to State or local agencies. Urgent deliveries are not anticipated to occur often and should be kept to a minimum by the ordering agency.

1. FREIGHT ON BOARD (F.O.B.) DESTINATION

All prices are F.O.B. destination; freight prepaid by the contractor, to the ordering organization's receiving point. Responsibility and liability for loss or damage for all orders will remain with the contractor until final inspection and acceptance, when all responsibility will pass to the ordering organization.

15. DELIVERY CHARGES

The following table identifies the additional delivery charges associated with this contract.

Contract No.	Contractor Name	Delivery Charges (See below for definitions)		
		Emergency Deliveries	Detention Charge	Trip Charge
1-07-91-04-C	First Fuels Inc.	\$120.00	\$2.50 per minute	\$250.00

- A. Emergency Deliveries: Deliveries requested outside the regular working hours of 8:00 a.m. to 5:00 p.m. and State observed holiday's days shall be considered an emergency. Orders may be placed by telephone, followed by a purchase order (Std. 65) sent to the contractor by facsimile or US mail. Emergency delivery invoice must accompany the fuel invoice for payment of the emergency delivery fee. Emergency deliveries of minimum quantities shall be made within one (1) working day ARO by contractor. The contractor charge for this delivery is listed above.
- B. Detention Charge: During normal delivery hours of 8:00 a.m. to 5:00 p.m. the contractor's truck upon arrival shall be admitted to the delivery site without delay. If the contractor attempts to deliver fuel to a delivery site and the contractor's truck is detained at the delivery site for reasons such as locked gates,

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unavailable receiving personnel, etc. caused by the ordering agency the contractor shall be entitled to a detention fee. Detention time shall be invoiced separately and supported by appropriate documentation (delivery logs, contact names, etc.). A detention time invoice must accompany the fuel invoice for payment of the detention fee. The contractor charge for this delivery is listed above.

- C. Trip Charge: During normal delivery hours of 8:00 a.m. to 5:00 p.m. the Contractor's truck upon arrival shall be admitted to the delivery site without delay. If the contractor attempts to deliver fuel to a delivery site and is not admitted to the delivery site for reasons beyond the contractor's control caused by the ordering agency the contractor shall be paid a trip charge fee. Trip charge time shall be invoiced separately and supported by appropriate documentation (delivery logs, contact names, etc.). A trip charge fee invoice must accompany the fuel invoice for payment of trip charge fee. The contractor charge for this delivery is listed above.
- D. Standing Time: The State shall be entitled to standing time for the purposes of unloading of not more than one hour at no charge. A charge of \$1.00 per minute shall be assessed for standing time in which the carrier's equipment is detained, through no fault of the carrier, in excess of the one no charge hour. Charged time shall be supported with the appropriate documents. For payment to be processed, the standing time billing must accompany, on a separate invoice, the fuel billing. Start time shall begin when the carrier is ready to hook-up to the fuel tank. End time shall conclude when carrier disconnects or is finished loading fuel into the tank.
- E. Late Deliveries: The contractor(s) will pay the ordering agency twenty-five (25) cents per gallon per order for late delivery of E85 (Ethanol) Fuel. Late delivery charges must be supported by appropriate documentation (delivery logs, contact names, etc). The ordering agency will make an adjustment to be reflected on the invoice.

16. INVOICING

Contractors shall render invoices as instructed on each Purchasing Authority Purchase Order (Std. 65). Invoice pricing shall be itemized and each invoice shall contain the following information:

- Leveraged Procurement Number (Contract Number)
- Agency Order Number (Purchase Order Number)
- Agency Name
- Region
- Description
- Quantity (net metered gallons delivered)
- Region Base Market Cost
- Differential Cost
- Composite Cost (Region Base Market Cost + Differential) Per Gallon
- Extension Price
- Appropriate Taxes

Note: The State is Federal Excise Tax exempt and shall not pay Federal Excise tax.

Each State Department shall be responsible to furnish all applicable exemption certificates upon request from the contractor. Invoices and payments shall be for net metered gallons delivered. Contractors must charge the agency for net metered gallons delivered only. Contractors shall provide with the invoice a copy of a receipt of gallons delivered. Additionally, a copy of the "Bill of Lading" from the fuel terminal shall accompany all invoices for "Truck and Trailer" deliveries. The contractors must obtain prior approval from Procurement Division before adding and/or modifying any new charges to the agency invoice.

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The following charges shall be listed separately on the agency invoice:

- State Sales Tax
- Local Sales Tax
- California Motor Vehicle Fuel Tax
- Leaking Underground Storage Tank Tax (L.U.S.T.)
- Oil Spill Liability Trust Fund Tax
- Superfund Tax

17. PAYMENT

Payment terms for this contract are net forty-five (45) days. Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government Code Section 927 etc. seq. Unless expressly exempted by statute, the Act requires State departments to pay properly submitted, undisputed invoices not more than forty- five (45) days after the date of acceptance of goods, performance of services, or receipt of an undisputed invoice, whichever is later.

18. PAYEE DATA RECORD

Each State accounting office must have a copy of the Payee Data Record (Std. 204) in order to process payments. Agencies should forward a copy of the Std. 204 to their accounting office(s). Without the Std. 204, payment may be unnecessarily delayed. Ordering agencies should contact the appropriate contractors for copies of the Payee Data Record.

1. CALIFORNIA SELLER'S PERMIT

The California seller permit numbers for each of the contractors is listed below. Agencies can verify that the permits are currently valid at the following website: www.boe.ca.gov. State departments must adhere to the file documentation required identified in the State Contract Manual Volume 2 and Volume 3, as applicable.

Contract Number	Contractor Name	Seller Permit #
1-07-91-04-C	First Fuel Inc.	100-661951

20. RECYCLED CONTENT

Recycled content certifications are not applicable to this commodity.

21. SMALL BUSINESS/DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION

There is no small business (SB) or disabled veteran business enterprise (DVBE) participation under this contract.

ATTACHMENTS

Attachment A – Location of Delivery Sites (located online at <http://www.pd.dgs.ca.gov/contract/91-04htm>)