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# CITY of NOVI CITY COUNCIL

**Agenda Item 3**  
**January 25, 2010**

**SUBJECT:** Approval to extend the gasoline bid contracts to Mansfield Oil for truck transport deliveries (over 5,000 gallons) and RKA Petroleum for tank wagon deliveries (under 5,000 gallons) for a two-year period at unit prices competitively bid through the Michigan Intergovernmental Trade Network (MITN) for an estimated annual amount of \$287,000.

**SUBMITTING DEPARTMENT:** Finance

**CITY MANAGER APPROVAL** 

<b>EXPENDITURE REQUIRED</b>	Approximately \$287,000 annually
<b>AMOUNT BUDGETED</b>	\$287,000
<b>LINE ITEM NUMBER</b>	101-442.20-861.000 (allocated to all funds based on usage)

**BACKGROUND INFORMATION:**

The gasoline contract bid is a joint bid with seventeen (17) other communities through the MITN Cooperative. Our estimate for yearly usage is 159,000 gallons of Mid-Grade (89 Octane) unleaded gasoline and diesel fuel. The estimated annual cost is \$287,000 based on usage in 2009.

Unit pricing is based on the market price on the day of delivery plus a pre-determined bid factor. The bid factor award for regular unleaded gasoline is \$0.0236/gallon added to the Oil Price Information Service (OPIS) daily average for Detroit. For example, on November 24, 2009 the OPIS daily average for regular unleaded gas was \$1.9919/gallon. After adding the bid factor of \$0.0236/gallon, the cost per gallon for a delivery on that day would have been \$ 2.0155/gallon.

Contract renewal period is 2/1/10 – 1/31/12.

**RECOMMENDED ACTION:** Approval to extend the gasoline bid contracts to Mansfield Oil for truck transport deliveries (over 5,000 gallons) and RKA Petroleum for tank wagon deliveries (under 5,000 gallons) for a two-year period at unit prices competitively bid through the Michigan Intergovernmental Trade Network (MITN) for an estimated annual amount of \$287,000.

	1	2	Y	N
<b>Mayor Landry</b>				
<b>Mayor Pro Tem Gatt</b>				
<b>Council Member Crawford</b>				
<b>Council Member Fischer</b>				

	1	2	Y	N
<b>Council Member Margolis</b>				
<b>Council Member Mutch</b>				
<b>Council Member Staudt</b>				

**AGENDA STATEMENT**

OMB AS03 Rev. 11/04

**Item Title:** To extend the contracts for the purchase of gasoline, diesel and alternative fuels for a two-year period at unit prices competitively bid through the Michigan Intergovernmental Trade Network (Annual estimated cost of \$670,000).

**Submitted By:** Office of Purchasing *MC*

**Contact Person/Telephone:** Mark Carufel, Purchasing / Risk Manager, 446-2741

**Administration (initial as applicable)**

**Attachments**

<i>WBS</i> City Clerk	—	Resolution	—	Minutes
<i>AB</i> Finance & Budget Director	—	Ordinance	—	Plan/Map
<i>[Signature]</i> City Attorney (as to legal form)	—	Contract	—	Other
<i>[Signature]</i> City Manager				

Check box if this agenda item requires billing/revenue collection (fees, etc.) by Treasury Office

**Executive Summary:**

The City of Sterling Heights purchases approximately 225,000 gallons of gasoline and 100,000 gallons diesel fuel per year to power the City's fleet of automobiles, trucks, equipment and generators.

The City is also the host community for a Michigan Intergovernmental Trade Network (MITN) cooperative gasoline and diesel fuel bid that includes 20 member communities in the Macomb, Oakland and Wayne County region. Through this cooperative bid, approximately three million gallons of gasoline and one million gallons of diesel are purchased every year.

In January, 2008, City Council split the award of the bid to Mansfield Oil Company for tank wagon (greater than 5,000 gallons) deliveries and RKA Petroleum Companies for truck transport (less than 5,000 gallons) deliveries.

In the original bid, there was an option to extend the contract for the purchase of gasoline, diesel and alternative fuels for a two-year period at the unit prices competitively bid through MITN. To exercise this option, both the City and the vendor must agree to the two-year extension. At this time, recommendation is being made to extend the contracts through January 31, 2012 for the following reasons:

- Upon review of the current State of Michigan MiDeal bid (August 1, 2005 to August 1, 2010), the MITN cooperative bid hosted by Sterling Heights is lower in overall price for both gasoline and diesel fuel, and will produce a yearly savings for Sterling Heights of approximately \$8,599. The consensus of the cooperative is to extend the contract.

- Attached are signed contract extensions pursuant to which current vendors Mansfield Oil Company and RKA Petroleum have agreed to honor the terms and conditions of the MITN cooperative bid for an additional two-year period. Both vendors have performed very well over the last two years.
- Mansfield Oil Company continues to declare MITN cooperative members as "Critical Vendors", which helps assure uninterrupted deliveries of fuels to municipalities during a natural disaster.

**Suggested Action:**

MOVED BY:

SECONDED BY:

RESOLVED, to extend the contracts with Mansfield Oil Company, 1025 Airport Parkway SW, Gainesville, GA 30501-0833 for truck transport deliveries and RKA Petroleum Companies, 28340 Wick Rd., Romulus, MI 48174 for tank wagon deliveries of gasoline, diesel and alternative fuels for a two-year period at the respective bid factors bid through the Michigan Intergovernmental Trade Network.

**CITY OF STERLING HEIGHTS**  
**STAFF REPORT**  
December 1, 2009

Prepared By: Mark Carufel, Purchasing/Risk Manager

Ext. No. 2741

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**GENERAL INFORMATION:**

On December 11, 2007, bids were received in response to a MITN cooperative bid solicitation for the delivery of gasoline, diesel and alternative fuels. On January 16, 2008, City Council awarded the cooperative bid as follows:

Mansfield Oil Company, 1025 Airport Parkway S.W., Gainesville, GA 30501, for truck transport deliveries (greater than 5,000 gallons) at bid prices bid of:

Unleaded Regular	\$0.0236/gal	OPTIONAL:	
Unleaded Mid-Grade	\$0.0040/gal	Biodiesel B-5	\$0.0554/gal
Unleaded Premium	-\$0.0090/gal	Biodiesel B-10	\$0.0554/gal
ULS Diesel #1	\$0.0079/gal	Biodiesel B-20	\$0.0554/gal
ULS Premium Diesel #2	\$0.0396/gal	E85 Ethanol	no bid
ULS Diesel #2	\$0.0196/gal		

RKA Petroleum Companies, Inc., 28340 Wick Road, Romulus, MI 48174, for tank wagon deliveries (less than 5,000 gallons) at bid factors of:

Unleaded Regular	\$0.11045/gal	OPTIONAL:	
Unleaded Mid-Grade	\$0.11045/gal	Biodiesel B-5	\$0.11045/gal
ULS Premium Diesel #2	\$0.11045/gal	Biodiesel B-10	\$0.11045/gal
ULS Diesel #2	\$0.11045/gal	Biodiesel B-20	\$0.11045/gal
ULS Dyed Diesel #2	\$0.11045/gal	E85 Ethanol	\$0.11045/gal

In the original bid, there was an option to extend the contract for an additional two years, upon mutual agreement.

Funds for the purchase of gasoline and diesel fuels are budgeted in Account #11717553-750000 (Fleet Maintenance - Fuels and Lubricants). It is estimated that the City of Sterling Heights will expend approximately \$670,000 annually for truck transport and tank wagon deliveries of gasoline, diesel and alternative fuels.

**STAFF ANALYSIS AND FINDINGS:**

At this time, recommendation is being made to extend the contracts with each current vendor through January 31, 2012.

**STAFF RECOMMENDATION:**

RESOLVED, to extend the contracts with Mansfield Oil Company, 1025 Airport Parkway SW, Gainesville, GA 30501-0833 for truck transport deliveries and RKA Petroleum Companies, 28340 Wick Rd., Romulus, MI 48174 for tank wagon deliveries of gasoline, diesel and alternative fuels for a two-year period at the respective bid factors bid through the Michigan Intergovernmental Trade Network.

**DEVELOPMENT OF FUEL COST**

**CITY OF STERLING HEIGHTS  
as of 11/24/09**

	Tank Wagon Deliveries of 5000 Gallons or less	Truck Transport Deliveries of 5,000 Gallons or more
	RKA	Mansfield
November 24, 2009		
OPIS Detroit Rack Avg. Price Per Gallon	\$1.9919	\$1.9919
Per Gallon Delivery Fee	\$0.11045	\$0.02360
<hr/>		
Net per gallon price paid by City / MITN Coopeative	\$2.1024	\$2.0155
Comparison: Average Retail price with taxes	2.5897	2.5897
Difference in City / MITN vs Retail	\$0.4874	\$0.5742
<hr/>		
	RKA	Mansfield
<b>Breakdown of the per gallon delivery fee</b>		
Delivery fee	\$0.09950	\$0.01265
Michigan Underground Storage Tank Fee	\$0.00875	\$0.00875
Federal Leaking Underground Storage Tank Fee	\$0.00100	\$0.00100
Federal Oil Spill Recovery Fee	\$0.00120	\$0.00120
Total fee per gallon	\$0.11045	\$0.02360

OPIS = OIL PRICE INFORMATION SERVICE  
 COOPERATIVE USES / PAYS THE DAILY RACK AVERAGE FOR THE DETROIT MARKET ON THE DAY OF DELIVERY  
 RACK AVERAGE IS DERIVED BY OPIS USING PRICE INFORMATION FROM THE 13 FUEL SUPPLIERS TO THE DETROIT MARKET

## MITN Fuel Cooperative Contract Analysis

	Unit Price Bid MITN	Unit Price Bid MiDeal	Per Gallon Differential	Sterling Hts Projected Volume in Gallons	Annual Savings for Stl Hts MITN vs MiDeal
<b>Truck Transport</b>					
<b>Gasoline</b>					
Unleaded	\$0.02360	\$0.0487	-\$0.02510	225,000	\$5,647.50
Mid Grade	\$0.00400	\$0.0487	-\$0.04470		
Premium	-\$0.00900	\$0.0487	-\$0.05770		
<b>Truck Transport</b>					
<b>Diesel</b>					
ULS #1	\$0.00790	\$0.0437	-\$0.03580		
ULS#2	\$0.01960	\$0.0437	-\$0.02410	90,000	\$2,169.00
ULS Premium #2	\$0.03960	\$0.0437	-\$0.00410		
<b>Tank Wagon</b>					
<b>Gasoline</b>					
Unleaded	\$0.11045	\$0.1087	\$0.00175		
Mid Grade	\$0.11045	\$0.1587	-\$0.04825		
Premium	\$0.11045	\$0.1587	-\$0.04825		
<b>Tank Wagon</b>					
<b>Diesel</b>					
ULS #1	\$0.11045	\$0.1887	-\$0.07825		
ULS#2	\$0.11045	\$0.1887	-\$0.07825	10,000	\$782.50
ULS Premium	\$0.11045	\$0.1887	-\$0.07825		
					\$8,599.00

MITN unit price bid per gallon delivered is the OPIS Detroit Rack Average on day of delivery, plus or minus (+ / -) the per unit price bid.

MiDeal unit price bid per gallon delivered is the OPIS Detroit Rack Average on Monday for the same week of delivery (Sunday thru Saturday), plus or minus (+ / -) the per unit price bid

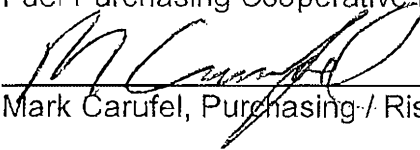
MiDeal Tank Wagon contract allows vendor to charge additional delivery fees for deliveries of less than 500 gallons.



## Memorandum

**Date:** November 19, 2009

**To:** Fuel Purchasing Cooperative Members

**From:**   
Mark Carufel, Purchasing / Risk Manager - City of Sterling Heights

**Subject:** Two-Year Extension of Contracts with Mansfield and RKA

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Pursuant to the consensus of the cooperative members for a contract extension, Mansfield Oil Company (truck transport deliveries) and RKA Petroleum Companies (tank wagon deliveries) have agreed to a two-year extension of the fuel purchasing contracts at unit prices stated in their bids of December 2007. Attached are copies of the original bids and the signed extension agreements.

Final review and approval by the City of Sterling Heights City Council will take place December 1, 2009. Cooperative members will receive confirmation via e-mail after December 1.

Please note the following when reviewing your invoices:

1. The cooperative agreed to pricing based on the OPIS Rack Average (Detroit) on the day of delivery, plus (or minus) the per gallon unit price bid per gallon, multiplied by the number of gross gallons delivered.
2. Starting January 1, 2009 the Federal Oil Spill Recovery Fee increased from \$0.0012 / gal. to \$0.0019 / gal. Be advised that the unit price bid per gallon includes delivery and any and all state and federal surcharges / fees. This or any other fee or increase cannot be passed on to the cooperative members.
3. Recently, RKA Petroleum attempted to add a \$100 to \$150 per delivery generator fill fee on deliveries less than 250 gallons. While the 2007 bid specifications listed a minimum of 250 gallons, RKA in their bid went beyond the minimum and stated that they would deliver any quantity requested by the cooperative members. As such, RKA cannot bill any such fee for deliveries less than 250 gallons. However, we are asking cooperative members to not abuse these smaller quantity orders and use discretion when making such orders.

Please do not hesitate to contact me at 586-446-2741 ( [mcарufel@sterling-heights.net](mailto:mcарufel@sterling-heights.net) ) if you have any questions.



TRUCK TRANSPORT DELIVERIES OF GASOLINE AND DIESEL FUEL  
TWO-YEAR EXTENSION OF CONTRACT AT UNIT PRICES BID  
ITB-SH07-040

The signatures below serve as confirmation that Mansfield Oil Company is in receipt of a letter from the City of Sterling Heights (lead agency in the fuel purchasing cooperative - Cooperative members listed below), dated November 18, 2009 from Purchasing Manager Mark Carufel. Mansfield Oil Company, 1025 Airport Parkway, S.W. Gainesville, Georgia 30501-6833, acknowledges the City's / Cooperative's request and mutually agrees to extend the contract for the purchase of truck transport deliveries of gasoline and diesel fuel for an additional two-year period, February 1, 2010 through January 31, 2012, at unit prices stated in the bid of December 6, 2007; all other terms and conditions remain the same. This extension shall be binding upon final review and approval by the City of Sterling Heights City Council, and approval by the respective cooperative members, when applicable.

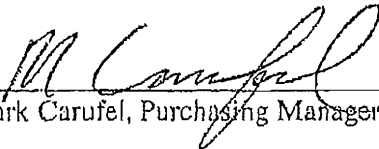
ACCEPTED BY:

Mansfield Oil Company

  
\_\_\_\_\_  
David Zarfoss, Director of Pricing

  
\_\_\_\_\_  
Dated

CITY OF STERLING HEIGHTS

  
\_\_\_\_\_  
Mark Carufel, Purchasing Manager

  
\_\_\_\_\_  
Dated

Cooperative Members Include: Birmingham, Eastpointe, Farmington Hills, Livonia, Madison Heights, Novi, Oakland County, Rochester Hills, Royal Oak, St Clair Shores, Southfield, Sterling Heights, Troy, Warren, West Bloomfield, Westland, and any other entity added during the cooperative contract period effective February 1, 2008.



November 23, 2009

Mr. Mark Carufel  
Purchasing/Risk Manager  
City of Sterling Heights  
40555 Utica Road  
PO Box 8009  
Sterling Heights, MI 48311-8009

Re: Supply Guarantee to Maintain Fuel Contract

Dear Mr. Carufel:

Mansfield Oil Company, a national wholesale supplier of gasoline and distillate products, is a major supplier to Federal, State, County and Local government entities throughout the United States. Over the past few years Mansfield has implemented and enhanced upon a disaster recovery plan that not only covers our internal office procedures but covers the necessary steps to protect our customer's needs as well. While much attention has been placed on natural disasters in the gulf coast region of our country Mansfield realizes that natural disasters can occur anywhere and at any time. Given this, Mansfield implemented the following steps to ensure our contractual obligations were met during these times of crisis:


Mansfield Oil Company requested from refiners during these periods that we be classified under "Critical Vendor" status so that specific loads of product can be delivered to First Response and Government agencies as needed. Refiners released loads as needed as long as Mansfield supplied to the refiner documentation concerning location and use of fuel to meet critical vendor requirements.

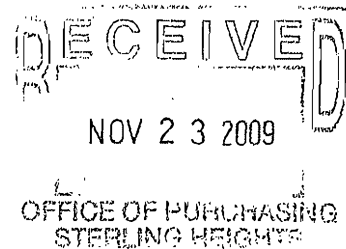
The procedure of being classified as a Critical Vendor with our refiner partners is currently part of our standard operating policy and allows us to coordinate efforts during difficult times surrounding the availability of supply during natural disasters.

As our current performance as your supplier has reflected, Mansfield Oil will take whatever steps are necessary to ensure that we meet our contractual obligations with our valued customers to the extent that external forces or pressure will allow us to do so. Having access to supply terminals in 49 states, with contractual supply or inventory in many of those, provides us with the necessary options to secure product.

Please feel free to call me with any questions at 1-800-255-6699, ext. 2107.

Regards,

  
David Zarfoss  
Director of Pricing



## BID FORM

The undersigned hereby declares that he has carefully examined the instructions and specifications and will furnish **TRUCK TRANSPORT AND TANK WAGON DELIVERIES OF LEADED AND UNLEADED GASOLINE, AND DIESEL FUEL** for the prices set forth in this bid. It is understood and agreed that all bids are **F.O.B. DESTINATION** and shall remain in effect for at least ninety (90) days from the date of the bid opening to allow for award of bid. Unit prices and factors prevail and the cooperative will correct extension errors.

Bid prices shall remain firm through the two-year contract beginning on February 1, 2008 and any extension options that may be carried out.

**Enclose the written policy you have in place for times of disaster or declared emergencies.**

List 24/7 emergency contact and number: 1-800-283-3835

Indicate split order charges, if any: \$30.00

How did you receive notification of this bid? Mail

How did you obtain the bid specifications? If bid documents were downloaded from a website, please list: www.mitn.info

COMPANY Mansfield Oil Company

ADDRESS 1025 Airport Parkway, S.W.

CITY/STATE/ZIP Gainesville, Georgia 30501-6833

REPRESENTATIVE/TITLE Michelle Shively, Government Sales Manager

PHONE/FAX (678) 450-2080 (678) 450-2280

REALISTIC DELIVERY TIME IN HOURS 24 hours

TERMS NET 30

EMAIL ADDRESS/WEBSITE mshively@mansfieldoil.com/ www.mansfieldoil.com

SIGNATURE *Michelle Shively* DATE December 6, 2007

**BID FORM — TRUCK TRANSPORT**

	Est. Usage*	Average	±	Price/gallon	Ext. Total#
Unleaded	1,484,500	\$ 2.3098	+ .0236	\$ 2.3340	\$ 3,463,932.30
Unleaded Mid-Grade	1,356,000	\$ 2.3535	+ .0040	\$ 2.3575	\$ 3,296,700.00
Unleaded Premium	75,000	\$ 2.4563	- .0090	\$ 2.4473	\$ 183,547.50
ULS Diesel #1	185,000	\$ 3.0672	+ .0079	\$ 3.0751	\$ 568,893.50
ULS Premium Diesel #2	401,400	\$ 2.6484	+ .0396	\$ 2.6880	\$ 1,078,963.20
ULS Diesel #2	451,500	\$ 2.5503	+ .0196	\$ 2.5699	\$ 1,160,309.85
Biodiesel B-5 (Optional)	10,000	\$ 2.6525	+ .0554	\$ 2.7079	\$ 27,079.00
Biodiesel B-10 (Optional)	10,000	\$ 2.6450	+ .0554	\$ 2.7004	\$ 27,004.00
Biodiesel B-20 (Optional)	10,000	\$ 2.6300	+ .0554	\$ 2.6854	\$ 26,854.00
E85 Ethanol (Optional)	10,000				
				<b>Total:</b>	<b>\$ 9,833,283.35</b>

Please base pricing on minimum delivery of 8,000 gallons per drop. Indicate any short load charges for quantities between 5,000 and 8,000 gallons.

Short load charge, if any: \$30.00

1. Identify all sources of supply: Valero, Marathon, Sem Fuel, Shell, Exxon and RKA

2. Approximate annual volume in gallons, in Southeast Michigan: 46,358,599

\* Estimated yearly product usage of cooperative in gallons

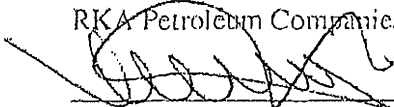
# Extended total is calculated by multiplying estimated yearly product usage by price per gallon

TANK WAGON DELIVERIES OF GASOLINE AND DIESEL FUEL  
TWO-YEAR EXTENSION OF CONTRACT AT UNIT PRICES BID  
ITB-SH07-040

The signatures below serve as confirmation that RKA Petroleum Companies, Inc. is in receipt of a letter from the City of Sterling Heights (lead agency in the fuel purchasing cooperative - Cooperative members listed below), dated November 17, 2009 from Purchasing Manager Mark Carufel. RKA Petroleum Companies, Inc, 28340 Wick Rd., Romulus, MI 48174 acknowledges the City's / Cooperative's request and mutually agrees to extend the contract for the purchase of tank wagon deliveries of gasoline and diesel fuel for an additional two-year period, February 1, 2010 through January 31, 2012, at unit prices stated in the bid of December 10, 2007; all other terms and conditions remain the same. This extension shall be binding upon final review and approval by the City of Sterling Heights City Council, and approval by the respective cooperative members, when applicable.

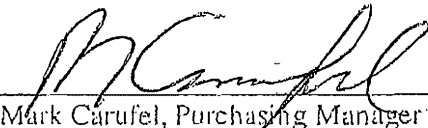
ACCEPTED BY:

RKA Petroleum Companies, Inc

  
\_\_\_\_\_  
Keith Albertie, Vice President

11-18-2009  
\_\_\_\_\_  
Dated

CITY OF STERLING HEIGHTS.

  
\_\_\_\_\_  
Mark Carufel, Purchasing Manager

11-18-09  
\_\_\_\_\_  
Dated

Cooperative Members Include: Birmingham, Eastpointe, Farmington Hills, Livonia, Madison heights, Novi, Oakland County, Rochester Hills, Royal Oak, St Clair Shores, Southfield, Sterling Heights, Troy, Warren, West Bloomfield, Westland, and any other entity added during the cooperative contract period effective February 1, 2008.

BID FORM

The undersigned hereby declares that he has carefully examined the instructions and specifications and will furnish TRUCK TRANSPORT AND TANK WAGON DELIVERIES OF LEADED AND UNLEADED GASOLINE, AND DIESEL FUEL for the prices set forth in this bid. It is understood and agreed that all bids are F.O.B. DESTINATION and shall remain in effect for at least ninety (90) days from the date of the bid opening to allow for award of bid. Unit prices and factors prevail and the cooperative will correct extension errors.

Bid prices shall remain firm through the two-year contract beginning on February 1, 2008 and any extension options that may be carried out.

Enclose the written policy you have in place for times of disaster or declared emergencies.

List 24/7 emergency contact and number: 734-305-0077 (SEE ATTACHED CONTACT INFORMATION SHEET)

Indicate split order charges, if any: \$29.95 ON TRUCK DELIVERIES ONLY.  
NO CHARGE ON TANKWAGON DELIVERIES.

How did you receive notification of this bid? MITN

How did you obtain the bid specifications? If bid documents were downloaded from a website, please list: MITN

COMPANY RKA PETROLEUM COMPANIES, INC.

ADDRESS 28340 WICK ROAD

CITY/STATE/ZIP ROMULUS, MICHIGAN 48174

REPRESENTATIVE/TITLE KEITH ALBERTIE - VICE PRESIDENT

PHONE/FAX 734-946-2199 EXT. 201 FAX - 734-946-4772

REALISTIC DELIVERY TIME IN HOURS 24 HOURS

TERMS 30 DAYS, Net 10 DISCOUNT = TT = .0015/GALLON  
TW = .0050/GALLON

EMAIL ADDRESS/WEBSITE Kalbertie@rkapetroleum.com  
www.rkapetroleum.com

SIGNATURE [Signature] DATE 12-10-07

## BID FORM — TANK WAGON

Please note that these +/- differentials include the MUST of .00875, the LUST of .0010 and the Oil Spill Recovery of .0012, per the "General Conditions" page 1 of the bid documentation; "Bids shall include all charges for delivery, State and Federal Surcharges, etc."

	Est. Usage*	Average	±	Price/gallon	Ext. Total#
Unleaded	32,000	\$ <u>2.30<sup>18</sup></u>	<u>.11045</u>	\$ <u>2.42025</u>	\$ <u>77,448.10</u>
Unleaded Mid-Grade	58,000	\$ <u>2.3535</u>	<u>.11045</u>	\$ <u>2.46395</u>	\$ <u>142,909.10</u>
ULS Premium Diesel #2	92,000	\$ <u>2.6484</u>	<u>.11045</u>	\$ <u>2.75885</u>	\$ <u>253,814.20</u>
ULS Diesel #2	72,600	\$ <u>2.5516</u>	<u>.11045</u>	\$ <u>2.66205</u>	\$ <u>193,264.83</u>
ULS Dyed Diesel #2	21,000	\$ <u>2.5503</u>	<u>.11045</u>	\$ <u>2.6675</u>	\$ <u>55,875.75</u>
Biodiesel B-5 (Optional)	10,000	\$ <u>2.5179</u>	<u>.11045</u>	\$ <u>2.62835</u>	\$ <u>26,283.50</u>
Biodiesel B-10 (Optional)	10,000	\$ <u>2.5251</u>	<u>.11045</u>	\$ <u>2.63555</u>	\$ <u>26,355.50</u>
Biodiesel B-20 (Optional)	10,000	\$ <u>2.5395</u>	<u>.11045</u>	\$ <u>2.64995</u>	\$ <u>26,499.50</u>
E85 Ethanol (Optional)	10,000	\$ <u>2.3537</u>	<u>.11045</u>	\$ <u>2.46415</u>	\$ <u>24,641.50</u>
				Total:	\$ <u>827,091.98</u>

The term "tank wagon" is intended to describe delivery in lots of 5,000 or less. Please specify minimum delivery quantity: \_\_\_\_\_

WE WILL DELIVER ANY QUANTITY REQUESTED BY THE CO-OP PARTICIPANTS.

1. Identify all sources of supply: VALERO, MARATHON, SUNOCO, CITEO, MURPHY, SEM FUEL, BP, HUSKY, ETC...

2. Approximate annual volume in gallons, in Southeast Michigan: 200,000,000  
\* PLEASE NOTE THAT RKA IS A CERTIFIED MINORITY BUSINESS (CERTIFICATE ENCLOSED).

\* Estimated yearly product usage of cooperative in gallons

# Extended total is calculated by multiplying estimated yearly product usage by price per gallon