

CITY of NOVI CITY COUNCIL

**Agenda Item 1
January 23, 2012**

SUBJECT: Approval to award a two year contract for fuel to Petroleum Traders and RKA Petroleum for Truck Transport (over 5,000 gallons) and Atlas Oil for Tank Wagon (under 5,000 gallons) through the Michigan Intergovernmental Trade Network (MITN) cooperative purchasing bid for an estimated annual amount of \$ 365,000.

SUBMITTING DEPARTMENT: Finance/DPS

CITY MANAGER APPROVAL: 

EXPENDITURE REQUIRED	\$ 365,000
AMOUNT BUDGETED	\$ 387,000
APPROPRIATION REQUIRED	N/A
LINE ITEM NUMBER	101-442.30-861.000 (Note: Allocated to other funds/depts. based on gas-boy reporting)

BACKGROUND INFORMATION:

The City of Novi purchases approximately 99,000 gallons of gasoline and 36,700 gallons of diesel per year (based on usage in the last 12 months) to fuel the City's fleet of automobiles, trucks, equipment, and generators. The City of Novi makes truck transport purchases (over 5,000 gallons) for the DPS fuel tanks and may use tank wagon purchases (less than 5,000 gallons) to fill generator tanks at lift stations & booster stations.

Sterling Heights posted a bid for the fuel contract on behalf of 18 MITN member communities, including the City of Novi. The contract is a two year contract effective February 1, 2012 with one two-year renewal option. They received six qualified bids which were reviewed and evaluated. Sterling Heights has awarded the truck transport portion to two firms (Petroleum Traders and RKA Petroleum) and the tank wagon portion to Atlas Oil Company.

We pay for fuel based on the per gallon wholesale rack average as published daily by the Oil Price Information Service (OPIS) plus a delivery fee (bid factor) per gallon. The City of Novi uses Unleaded Regular Gasoline and ULS Diesel #2. To leverage this award for our best advantage, we will purchase the gasoline from Petroleum Traders and the diesel from RKA Petroleum. See attached Bid Tabulation.

The three local school districts (Novi Community School District, Northville Schools, and Walled Lake Consolidated Schools) would be allowed to participate in this bid if they are members of MITN. At this time, Walled Lake Consolidated Schools is the only district that has become a member.

The Library Network (TLN), a consortium of 65 libraries in Southeast Michigan, has expressed an interest in using the fuel station at DPS to fuel their delivery vehicles. In order for the

City to provide their fuel, TLN must provide us a "Certificate For State Use or Non-Profit Educational Use" which indicates that their organization meets the definition of a state or local government or a non-profit educational organization. We are waiting for them to provide this certificate.

RECOMMENDED ACTION: Approval to award a two year contract for fuel to Petroleum Traders and RKA Petroleum for Truck Transport (over 5,000 gallons) and Atlas Oil for Tank Wagon (under 5,000 gallons) through the Michigan Intergovernmental Trade Network (MITN) cooperative purchasing bid for an estimated annual amount of \$ 365,000.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Margolis				
Council Member Mutch				
Council Member Wrobel				

CITY OF STERLING HEIGHTS

BID TABULATION - NOVEMBER 1, 2011

ITB-SH11-035: TRUCK TRANSPORT AND TANK WAGON
DELIVERIES OF UNLEADED GASOLINE, AND DIESEL FUEL
TRUCK TRANSPORT

Item	Est Gal	Rack Avg	Petroleum Traders Corp			RKA Petroleum Companies			Mansfield Oil Company		
			Factor	Price/gal	Ext Total	Factor	Price/gal	Ext Total	Factor	Price/gal	Ext Total
* Unleaded Regular	2,505,000	2.6801	+0.0078	2.6879	\$6,733,189.50	+0.0102	2.6903	\$6,739,201.50	+0.0244	2.7045	\$6,774,772.50
Unleaded Mid-Grade	434,000	2.7486	+0.0030	2.7516	\$1,194,194.40	+0.0210	2.7696	\$1,202,006.40	+0.0307	2.7793	\$1,206,216.20
ULS Premium Diesel #2	428,000	3.2108	+0.0307	3.2415	\$1,387,362.00	+0.0200	3.2308	\$1,382,782.40	-0.0002	3.2106	\$1,374,136.80
* ULS Diesel #2	657,000	3.1721	+0.0107	3.1828	\$2,091,099.60	+0.0027	3.1748	\$2,085,843.60	+0.0068	3.1789	\$2,088,537.30
Totals					\$11,405,845.50			\$11,409,833.90			\$11,443,662.80
Other Fuels											
Unleaded Premium	1,000	2.8994	+0.0025	2.9019	\$2,901.90	+0.0363	2.9357	\$2,935.70	+0.0379	2.9373	\$2,937.30
ULS Diesel #1	1,000	3.4232	+0.0168	3.4400	\$3,440.00	+0.0168	3.4400	\$3,440.00	+0.0071	3.4303	\$3,430.30
Biodiesel B-5 (Optional)	1,000	3.1915	+0.0431	3.2346	\$3,234.60	+0.0167	3.2082	\$3,208.20	N/B	N/B	N/B
Biodiesel B-10 (Optional)	1,000	3.2334	+0.0431	3.2617	\$3,261.70	-0.0027	3.2307	\$3,230.70	N/B	N/B	N/B
Biodiesel B-20 (Optional)	1,000	3.0979	+0.0431	3.2137	\$3,213.70	-0.0198	3.0781	\$3,078.10	N/B	N/B	N/B
E85 Ethanol (Optional)	1,000	2.9165	+0.0283	3.2137	\$3,213.70	Avail on Req.			N/B	N/B	N/B
Totals					\$11,425,111.10			\$11,425,726.60			\$11,450,030.40
Short load charge				\$50.00			\$50.00			\$65.00	
Volume, SE MI				3,179,000			99,331,483			10,000,000	
Terms			Net 30-No Discount/ Net 10 = .005/gal discount			Net 30-No Discount/ Net 15 = .005/gal discount			net 30		
Split order charge				\$40.00			\$35.00			\$35.00	
Accept Purchasing Card			Yes - 4.5% Processing Fee			Yes - 3% processing fee			No		

* Averages were adjusted to maintain continuity and to obtain a fair comparison price. Some totals may have changed. Additional totals were added by Purchasing to break out optional items.

CITY OF STERLING HEIGHTS

BID TABULATION - NOVEMBER 1, 2011

**ITB-SH11-035: TRUCK TRANSPORT AND TANK WAGON
DELIVERIES OF UNLEADED GASOLINE, AND DIESEL FUEL
TRUCK TRANSPORT**

Item	Est Gal	Rack Avg	Atlas Oil Company			Spencer Oil Company			Michigan Fuels, Inc.		
			Factor	Price/gal	Ext Total	Factor	Price/gal	Ext Total	Factor	Price/gal	Ext Total
Unleaded Regular	2,505,000	2.6801	+0235	2.7036	\$6,772,518.00	+03646	2.7166	\$6,804,982.80	+0300	2.7101	\$6,788,800.50
Unleaded Mid-Grade	434,000	2.7486	+0235	2.7721	\$1,203,091.40	+03646	2.7851	\$1,208,716.04	N/B	N/B	N/B
ULS Premium Diesel #2	428,000	3.2108	+0259	3.2396	\$1,386,548.80	+03665	3.2475	\$1,389,908.60	+0300	3.2408	\$1,387,062.40
ULS Diesel #2	657,000	3.1721	+0259	3.2703	\$2,148,587.10	+03665	3.2088	\$2,108,148.75	+0300	3.2021	\$2,103,779.70
Totals					\$11,510,745.30			\$11,511,756.19			\$10,279,642.60
Other Fuels											
Unleaded Premium	1,000	2.8994	+0000	2.8994	\$2,899.40	+03646	2.9359	\$2,935.86	N/B	N/B	N/B
ULS Diesel #1	1,000	3.4232	+0000	3.5048	\$3,504.80	+03665	3.4599	\$3,459.85	+0300	3.4532	\$3,453.20
Biodiesel B-5 (Optional)	1,000	3.1915	+0000	3.1915	\$3,191.50	N/B	N/B	N/B	N/B	N/B	N/B
Biodiesel B-10 (Optional)	1,000	3.2334	+0000	3.2334	\$3,233.40	N/B	N/B	N/B	N/B	N/B	N/B
Biodiesel B-20 (Optional)	1,000	3.0979	+0000	3.0979	\$3,097.90	N/B	N/B	N/B	N/B	N/B	N/B
E85 Ethanol (Optional)	1,000	2.9165	+0000	N/B	N/B	+04475	2.96125	\$2,961.25	N/B	N/B	N/B
Totals					\$11,526,672.30			\$11,521,113.15			\$10,283,095.80
Short load charge				\$35.00			none			\$35.00	
Volume, SE MI				200,000,000			40,000,000			200,000,000	
Terms				net 30			net 30			net 30	
Split order charge				\$35.00			None			\$35.00	
Accept Purchasing Card				N/A			No			No	

* Averages were adjusted to maintain continuity and to obtain a fair comparison price. Some totals may have changed. Additional totals were added by Purchasing to break out optional items.

CITY OF STERLING HEIGHTS

BID TABULATION - NOVEMBER 1, 2011

**ITB-SH11-035 TRUCK TRANSPORT AND TANK WAGON
DELIVERIES OF UNLEADED GASOLINE AND DIESEL FUEL
TANK WAGON**

Item	Est Gal	Rack Avg	Factor	Atlas Oil Company		Spencer Oil Company		
				Price/gal	Ext Total	Factor	Price/gal	Ext Total
Unleaded Regular	47,500	2.6801	+ .1100	2.7901	\$132,529.75	+ .11646	2.79656	\$132,836.60
Unleaded Mid-Grade	40,000	2.7486	+ .1100	2.8586	\$114,344.00	+ .11646	2.86506	\$114,602.40
ULS Premium Diesel #2	22,500	3.2108	+ .1100	3.3208	\$74,718.00	+ .11665	3.32745	\$74,867.63
* ULS Diesel #2	77,000	3.1721	+ .1100	3.2821	\$252,721.70	+ .11665	3.28875	\$253,233.75
ULS Diesel #2 - Dyed	39,500	3.1801	+ .1100	3.2901	\$129,958.95	+ .11665	3.29675	\$130,221.63
ULS Diesel #1 - Dyed	200	3.4282	+ .0000	3.4282	\$685.64	N/B		
Totals					\$704,958.04			\$705,762.00
Biodiesel B-5 (Optional)	1,000	3.1915	+ .0000	3.1915	\$3,191.50	N/B	N/B	N/B
Biodiesel B-10 (Optional)	1,000	3.2334	+ .0000	3.2334	\$3,233.40	N/B	N/B	N/B
Biodiesel B-20 (Optional)	1,000	3.0979	+ .0000	3.0979	\$3,097.90	N/B	N/B	N/B
E85 Ethanol (Optional)	1,000	2.9165	N/B			+ .16475	3.08125	\$3,081.25
Grand Total					\$714,480.84			\$708,843.25
Minimum delivery qty.				200 gallons			250 gallons	
Volume, SE MI				200,000,000			40,000,000	
Terms				Net 30			net 30	
Split order charge				\$35.00			None	
Accept Purchasing Card				No			No	

No Tank Wagon Bids: Mansfield Oil & Petroleum Traders

* Averages were adjusted to maintain continuity and to obtain a fair comparison price. Some totals may have changed. Additional totals were added by Purchasing to break out optional items.

CITY OF STERLING HEIGHTS

BID TABULATION - NOVEMBER 1, 2011

**ITB-SH11-035 TRUCK TRANSPORT AND TANK WAGON
DELIVERIES OF UNLEADED GASOLINE AND DIESEL FUEL
TANK WAGON**

RKA Petroleum Companies

Michigan Fuels, Inc.

<i>Item</i>	<i>Est Gal</i>	<i>Rack Avg</i>	<i>Factor</i>	<i>Price/gal</i>	<i>Ext Total</i>	<i>Factor</i>	<i>Price/gal</i>	<i>Ext Total</i>
Unleaded Regular	47,500	2.6801	+1195	2.79960	\$132,981.00	+0700	2.7501	\$130,629.75
Unleaded Mid-Grade	40,000	2.7486	+1195	2.86810	\$114,724.00	N/B		
ULS Premium Diesel #2	22,500	3.2108	+1195	3.33030	\$74,931.75	+0700	3.2808	\$73,818.00
ULS Diesel #2	77,000	3.1721	+1195	3.29160	\$253,453.20	+0700	3.2421	\$249,641.70
ULS Diesel #2 - Dyed	39,500	3.1801	+1195	3.29960	\$130,334.20	+0700	3.2501	\$128,378.95
ULS Diesel #1 - Dyed	200	3.4282	+1975	3.62570	\$725.14	+0700	3.4982	\$699.64
Totals					\$707,149.29			\$583,168.04
Biodiesel B-5 (Optional)	1,000	3.1915	+1310	3.32250	\$3,322.50	N/B	N/B	N/B
Biodiesel B-10 (Optional)	1,000	3.2334	+1115	3.34490	\$3,344.90	N/B	N/B	N/B
Biodiesel B-20 (Optional)	1,000	3.0979	+0960	3.1939	\$3,193.90	N/B	N/B	N/B
E85 Ethanol (Optional)	1,000	2.9165	Avail on Req.			N/B	N/B	N/B
Grand Total					\$717,010.59			\$583,168.04
Minimum delivery qty.			150 gallons. If Under 150 gals. = \$100 charge				1,000 gallons	
Volume, SE MI			99,331,483				200,000,000 +	
Terms			Net 30-No Discount Net 15 = .005/gal discount				Net 30	
Split order charge			\$35.00				\$35.00	
Accept Purchasing Card			Yes - 3% Processing Fee				No	

No Tank Wagon Bids: Mansfield Oil & Petroleum Traders

* Averages were adjusted to maintain continuity and to obtain a fair comparison price. Some totals may have changed. Additional totals were added by Purchasing to break out optional items.



Business of the City Council
Sterling Heights, Michigan

City Clerk's Use
Item No:
Meeting: 12/06/11

AGENDA STATEMENT

OMB AS03 Rev. 11/04

Item Title: To split the award of a bid for truck transport and tank wagon deliveries of gasoline and diesel fuel at unit prices bid for a two-year period (Annual estimated cost of \$790,000).

Submitted By: Office of Purchasing

mc

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

Administration (initial as applicable)

Attachments

Table with 2 columns: Administration (initial as applicable) and Attachments. Rows include City Clerk, Finance & Budget Director, City Attorney, City Manager, Resolution, Ordinance, Contract, Minutes, Plan/Map, Other.

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... The bid is structured so that MITN members pay for fuel based on the per gallon wholesale rack average... Upon receipt and review of all bids, recommendation is being made to split the award of the bid among three bidders.

- Prices charged to MITN members are considerably lower than prices consumers pay at the pumps. MITN members are purchasing gasoline and diesel fuel at wholesale pricing, which changes daily just like consumer pricing at the local gas station. Below is a breakdown of pricing per gallon for truck transport and tank wagon deliveries of fuel. Wholesale pricing was based on the OPIS Detroit Rack Average on November 22, 2011:

Truck Transport

<u>Fuel Type</u>	<u>OPIS Price per Gallon</u>	<u>Bid Factor Delivery Fees per Gallon</u>	<u>State & Federal Fees per Gallon</u>	<u>Total Delivered Price per Gallon</u>
Unleaded Reg. Gasoline (Petroleum Traders)	\$2.5196	\$0.0078	Included	\$2.5274 <i>Comparative Consumer Retail Price on 11/22/11: \$3.0500</i>
ULS Diesel #2 (RKA Petroleum)	\$3.0953	\$0.0027	Included	\$3.0980 <i>Comparative Consumer Retail Price on 11/22/11: \$3.9900</i>

Tank Wagon

<u>Fuel Type</u>	<u>OPIS Price per Gallon</u>	<u>Bid Factor Delivery Fees per Gallon</u>	<u>State & Federal Fees per Gallon</u>	<u>Total Delivered Price per Gallon</u>
Unleaded Reg. Gasoline (Atlas Oil)	\$2.5196	\$0.1100	Included	\$2.6296 <i>Comparative Consumer Retail Price on 11/22/11: \$3.0500</i>
ULS Diesel #2 (Atlas Oil)	\$3.0953	\$0.1100	Included	\$3.2053 <i>Comparative Consumer Retail Price on 11/22/11: \$3.9900</i>

- Prices charged to MITN members through the cooperative bid will fluctuate based on market conditions, but are considerably lower than the consumer pump prices as evidenced in the above examples. Qualifying governmental entities are tax exempt, however, certain state and federal fees are payable, at approximately \$0.01165 per gallon.
- RKA is the incumbent tank wagon vendor and their performance has been very good. RKA is also a current vendor for the State of Michigan. Atlas Oil has prior experience with this cooperative bid having been a successful bidder/vendor from 2003 to 2007. Atlas Oil performed well during this period. Petroleum Traders is the largest independent distributor of gasoline and diesel fuel in the country. They use local vendors, such as RKA and Atlas, to deliver on their behalf. References were checked with all three vendors and proved acceptable.
- As the lead municipality, the MITN cooperative members rely upon the recommendation of the city of Sterling Heights in awarding this bid. After this bid award by the city of Sterling Heights, the remaining 17 MITN cooperative members will purchase gasoline and diesel fuel using the bid pricing secured through this cooperative bid.
- Please see the attached Staff Report and supporting documentation for additional information.

Suggested Action:

MOVED BY:

SECONDED BY:

RESOLVED, to split the award of the bid for truck transport and tank wagon deliveries of unleaded gasoline and diesel fuel to the following vendors based on bid factors included in their respective bids for a two-year period, with the option to extend the terms and conditions an additional two years upon mutual consent:

Truck Transport deliveries:

1. Petroleum Traders, Inc., 7120 Pointe Inverness Way, Fort Wayne, IN 46804
2. RKA Petroleum Companies, 28340 Wick Rd., Romulus, MI, 48174

Tank Wagon deliveries:

1. Atlas Oil Company, 24501 Ecorse Rd., Taylor, MI, 48180

CITY OF STERLING HEIGHTS
STAFF REPORT
December 6, 2011

Prepared By: Mark Carufel, Purchasing/Risk Manager

Ext. No. 2741

GENERAL INFORMATION:

On November 1, 2011, bids were received in response to a MITN cooperative bid solicitation for the delivery of gasoline and diesel fuel. Invitations to Bid were advertised on SHTV, posted to the MITN website and published in the Source newspaper – Sterling Heights edition. Seven vendors responded with bids as outlined on the attached bid tabulation. One bid was rejected for failure to include the required bid bond, leaving six qualifying bids. 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 \$790,000 for truck transport and tank wagon deliveries annually.

STAFF ANALYSIS AND FINDINGS:

Upon review and analysis of all qualifying bids received, the recommendation is being made to split the award of the bid among three vendors per the following analysis:

Truck Transport (deliveries of greater than 5,000 gallons): Recommendation is being made to award truck transport to the two overall low bidders, Petroleum Traders and RKA Petroleum.

Petroleum Traders is the low bidder overall. Its regular unleaded (10% ethanol) gasoline factor of \$0.0078 is 66% lower than the incumbent Mansfield. The unleaded midgrade (10% ethanol) bid factor of \$0.0030 is 25% lower than the incumbent Mansfield's expiring pricing. However, Petroleum Traders diesel fuel bid factor pricing is not as low as RKA Petroleum's pricing. RKA's bid factor pricing for ULS Premium Diesel #2 is 49% lower than the incumbent Mansfield, and the ULS Diesel #2 is 86% lower. Therefore, the Office of Purchasing is recommending an award to both vendors, and the purchasing entity can decide on its own where to purchase based on the best available pricing. An award in this fashion allows the purchasing entity to leverage the bid results and purchase fuel at the lowest cost, depending on the order placed. Also, in the event of an emergency, MITN cooperative members will have two truck transport vendors available.

Petroleum Traders is a new vendor. However, it uses local carriers for delivery, including RKA Petroleum and Atlas Oil. Lastly, Petroleum Traders offers a 0.005 per gallon reduction for Net 10 payment. RKA offers the same discount for Net 15.

Bid factor pricing for truck transport by the successful vendors follows below:

Petroleum Traders, Inc., 7120 Pointe Inverness Way, Fort Wayne, IN 46804:

Unleaded Regular	\$0.0078/gal	Unleaded Premium	\$0.0025/gal
Unleaded Mid-Grade	\$0.0030/gal	ULS Diesel #1	\$0.0168/gal
ULS Premium Diesel #2	\$0.0307/gal	Biodiesel B-5	\$0.0554/gal

ULS Diesel #2	\$0.0107/gal	Biodiesel B-10	\$0.0554/gal
		Biodiesel B-20	\$0.0554/gal
		E85 Ethanol	\$0.0283/gal

RKA Petroleum Companies, Inc., 28340 Wick Road, Romulus, MI 48174:

Unleaded Regular	\$0.0102/gal	Unleaded Premium	\$0.0363/gal
Unleaded Mid-Grade	\$0.0210/gal	ULS Diesel #1	\$0.0168/gal
ULS Premium Diesel #2	\$0.0200/gal	Biodiesel B-5	\$0.0167/gal
ULS Diesel #2	\$0.0027/gal	Biodiesel B-10	\$-0.0027/gal
		Biodiesel B-20	\$-0.0198/gal
		E85 Ethanol	N/B

Tank Wagon (deliveries of less than 5,000 gallons): The recommendation is to award to Atlas Oil, the low overall bidder. Its pricing is slightly lower (0.41%) than the incumbent RKA Petroleum. The minimum load is 200 gallons, before additional delivery charges apply. Atlas was a vendor under this contract from 2003 to 2007 and there were no reported problems during that period. One bidder, Michigan Fuels, was the lowest bidder for the tank wagon deliveries based on the delivery factor bid; however, its minimum delivery was 1,000 gallons. This vendor also failed to bid on unleaded midgrade gasoline, which eliminated its bid from further consideration.

Bid factor pricing for tank wagon transport by the successful vendor follows:

Atlas Oil Company, 24501 Ecorse Rd., Taylor, MI, 48180

Unleaded Regular	\$0.1100/gal	ULS Diesel #1 Dyed	\$0.0000/gal
Unleaded Mid-Grade	\$0.1100/gal	Biodiesel B-5	\$0.0000/gal
ULS Premium Diesel #2	\$0.1100/gal	Biodiesel B-10	\$0.0000/gal
ULS Diesel #2	\$0.1100/gal	Biodiesel B-20	\$0.0000/gal
ULS Diesel #2 Dyed	\$0.1100/gal	E85 Ethanol	N/B

MITN cooperative members purchase approximately three million gallons of gasoline and one million gallons of diesel fuel annually. MITN cooperative members include the governmental entities of Birmingham, Eastpointe, Farmington Hills, Grosse Pointe Woods, Livonia, Madison Heights, Novi, Oakland County, Rochester Hills, Royal Oak, St. Clair Shores, Southfield, Sterling Heights, Troy, Warren, Waterford, West Bloomfield and Westland. In addition, there are approximately 4-5 additional entities that may be included at a later date.

All vendors receiving an award must agree to indemnify and hold the MITN cooperative members harmless from liability and provide evidence of insurance with acceptable terms and coverage.

STAFF RECOMMENDATION:

Please see the suggested action on the Agenda Statement.

NOTIFICATION LIST

Petroleum Traders, Inc.
7120 Pointe Inverness Way
Fort Wayne, IN 46804

RKA Petroleum Companies
28340 Wick Rd.
Romulus, MI 48174

Atlas Oil Company
24501 Ecorse Rd.
Taylor, MI 48180

BID FORM

ORIGINAL

The undersigned hereby declares that the instructions and specifications have been carefully examined and that **TRUCK TRANSPORT AND TANK WAGON DELIVERIES OF LEADED AND UNLEADED GASOLINE, AND DIESEL FUEL** will be furnished 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, 2012 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: Dispatch Department, 800-348-3705 option 1

Indicate split order charges, if any: \$40.00

Indicate if payment by a Purchasing Card is acceptable: Yes

List Cards Accepted: Master Card and Visa, all invoices paid via credit card will be asses a 4.5% processing fee

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's website

COMPANY Petroleum Traders Corporation

ADDRESS 7120 Pointe Inverness Way

CITY/STATE/ZIP Fort Wayne, IN 46804

REPRESENTATIVE/TITLE Gayle Newton, Contract Sales Manager

PHONE/FAX P:800-348-3705x1002 / F:260-207-6347

REALISTIC DELIVERY TIME IN HOURS 24 hours

TERMS Net 30, No discount / Net 10, .0050 / gallon discount

EMAIL ADDRESS/WEBSITE gnewton@petroleumtraders.com / www.petroleumtraders.com

SIGNATURE Gayle Newton DATE 10/28/2011

Gayle Newton, Contract Sales Manager

Official bid specifications are available only at www.mitn.info or call the Office of Purchasing at 586-446-2740.

Bid Form
Page 1

BID FORM — TRUCK TRANSPORT

	Est. Usage*	Average	±	Price/gallon	Ext. Total#
Unleaded	2,417,000 2,505,000	\$ 2.6822	+ .0078	\$ 2.6900	\$ 6,501,730 6,733,189.50
Unleaded Mid-Grade	434,000	\$ 2.7486	+ .0030	\$ 2.7516	\$ 1,194,194.40
Unleaded Premium	1,000	\$ 2.8994	+ .0025	\$ 2.9019	\$ 2,901.90
ULS Diesel #1	1,000	\$ 3.4001	+ .0168	\$ 3.4169	\$ 3,416.90
ULS Premium Diesel #2	362,000 428,000	\$ 3.2108	+ .0307	\$ 3.2415	\$ 1,173,423 1,387,362.00
ULS Diesel #2	657,000	\$ 3.1706	+ .0107	\$ 3.1813	\$ 2,090,114.10
Biodiesel B-5 (Optional)	1,000	\$ 3.1706	+ .0431	\$ 3.2137	\$ 3,213.70
Biodiesel B-10 (Optional)	1,000	\$ 3.1706	+ .0431	\$ 3.2137	\$ 3,213.70
Biodiesel B-20 (Optional)	1,000	\$ 3.1706	+ .0431	\$ 3.2137	\$ 3,213.70
E85 Ethanol (Optional)	1,000	2.5204	+ .0283	\$ 2.5487	Total: \$ 2,548.70
					Grand Total: \$ 10,977,970.10 <u>11,423,368.60</u>

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: \$50.00

- Identify all sources of supply: Various to Include: Valero, Shell, BP, Sunoco, etc.
- Approximate annual volume in gallons, in Southeast Michigan: 3,179,000

* Estimated yearly product usage of cooperative in gallons
 # Extended total is calculated by multiplying estimated yearly product usage by price per gallon

BID FORM — TANK WAGON

	Est. Usage*	Average	±	Price/gallon	Ext. Total#
Unleaded	31,000	\$ _____	NO BID	\$ _____	\$ _____
Unleaded Mid-Grade	40,000	\$ _____	NO BID	\$ _____	\$ _____
ULS Premium Diesel #2	19,000	\$ _____	NO BID	\$ _____	\$ _____
ULS Diesel #2	85,000	\$ _____	NO BID	\$ _____	\$ _____
ULS Dyed Diesel #2	51,500	\$ _____	NO BID	\$ _____	\$ _____
ULS Dyed Diesel #1	200				
Biodiesel B-5 (Optional)	1,000	\$ _____	NO BID	\$ _____	\$ _____
Biodiesel B-10 (Optional)	1,000	\$ _____	NO BID	\$ _____	\$ _____
Biodiesel B-20 (Optional)	1,000	\$ _____	NO BID	\$ _____	\$ _____
E85 Ethanol (Optional)	1,000			<i>Total:</i>	\$ _____

The term "tank wagon" is intended to describe delivery in lots of 5,000 or less. Please specify minimum delivery quantity: NO BID

1. Identify all sources of supply: NO BID

2. Approximate annual volume in gallons, in Southeast Michigan: NO BID

* Estimated yearly product usage of cooperative in gallons

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

HOLD HARMLESS AND INDEMNITY

To the fullest extent permitted by law, the contractor expressly agrees to indemnify and hold the City of Sterling Heights (City), its elected and appointed officials, employees and volunteer and others working on behalf of the City, harmless from and against all loss, cost, expense, damage, liability or claims, whether groundless or not, arising out of the bodily injury, sickness or disease (including death resulting at any time therefrom) which may be sustained or claimed by any person or persons, or the damage or destruction of any property, including the loss of use thereof, based on any act or omission, negligent or otherwise, of contractor or anyone acting in its behalf in connection with or incident to this contract or the work to be performed hereunder, except that the contractor shall not be responsible to the City on indemnity for damages caused by or resulting from the City's sole negligence; and the Contractor shall, at its own cost and expense, defend any such claim and any suit, action, or proceeding which may be commenced hereunder, and the Contractor shall pay any and all judgments which may be recovered in any such suit, action or proceeding, and any and all expense, including, but not limited to, costs, attorneys' fees and settlement expenses which may be incurred therein.

PLEASE PRINT:

CONTRACTOR NAME Petroleum Traders Corporation

AUTHORIZED REPRESENTATIVE Gayle Newton, Contract Sales Manager

SIGNATURE *Gayle Newton*

CONTRACTOR ADDRESS 7120 Pointe Inverness Way

CITY/STATE/ZIP Fort Wayne, IN 46804

PHONE 800-348-3705x1002

E-MAIL gnewton@petroleumtraders.com

WITNESS *Andrew E. Busch*
Andrew E. Busch

DATE 10/28/2011

This form must be completed and returned with your bid.

****REVISED****
BID FORM

The undersigned hereby declares that the instructions and specifications have been carefully examined and that **TRUCK TRANSPORT AND TANK WAGON DELIVERIES OF LEADED AND UNLEADED GASOLINE, AND DIESEL FUEL** will be furnished 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, 2012 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: Emergency Pager
(734) 305.0077

Indicate split order charges, if any: \$ 35.00

Indicate if payment by a Purchasing Card is acceptable: Yes, but a 3% processing fee will apply
List Cards Accepted: Visa and Mastercard, Discover & American Express

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, MI 48174

REPRESENTATIVE/TITLE Christina Nasser Gov. Acct. Exec & Rick Enright President

PHONE/FAX (734) 946.2235 (734) 531.2303 (734) 946.2199

REALISTIC DELIVERY TIME IN HOURS 24

TERMS Standard Net 30 or Net 15 w/prompt pay discount - .005 cpg

EMAIL ADDRESS/WEBSITE bids@rkapetroleum.com

SIGNATURE [Signature] DATE 10.28.11

*****REVISED***
 BID FORM – TRUCK TRANSPORT**

	Est. Usage*	Average	±	Price/gallon	Ext. Total#
Unleaded	2,505,000	\$ <u>2.7571</u>	<u>+0.0102</u>	\$ <u>2.7673</u>	\$ <u>6,932,086.50</u>
Unleaded Mid-Grade	434,000	\$ <u>2.8257</u>	<u>+0.0210</u>	\$ <u>2.8467</u>	\$ <u>1,235,467.80</u>
Unleaded Premium	1,000	\$ <u>2.9743</u>	<u>+0.0363</u>	\$ <u>3.0106</u>	\$ <u>3,010.60</u>
ULS Diesel #1	1,000	\$ <u>3.4948</u>	<u>+0.0168</u>	\$ <u>3.5116</u>	\$ <u>3,511.60</u>
ULS Premium Diesel #2	428,000	\$ <u>3.2860</u>	<u>+0.0200</u>	\$ <u>3.3060</u>	\$ <u>1,414,968.00</u>
ULS Diesel #2	657,000	\$ <u>3.2428</u>	<u>+0.0027</u>	\$ <u>3.2455</u>	\$ <u>2,132,293.50</u>
Biodiesel B-5 (Optional)	1,000	\$ <u>3.3069</u>	<u>+0.0167</u>	\$ <u>3.3236</u>	\$ <u>3,323.60</u>
Biodiesel B-10 (Optional)	1,000	\$ <u>3.3710</u>	<u>-0.0027</u>	\$ <u>3.3683</u>	\$ <u>3,368.30</u>
Biodiesel B-20 (Optional)	1,000	\$ <u>3.4992</u>	<u>-0.0198</u>	\$ <u>3.4794</u>	\$ <u>3,479.40</u>
E85 Ethanol (Optional) †	1,000	* Available upon request.		Total:	\$ <u>11,731,509.30</u>

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: \$50.00

- Identify all sources of supply: Marathon, Citgo, Husky, Sunoco, BP Oil, Shell and World Fuels
- Approximate annual volume in gallons, in Southeast Michigan: 99,331,483 gallons - APPROXIMATE TOTAL

* Estimated yearly product usage of cooperative in gallons
 # Extended total is calculated by multiplying estimated yearly product usage by price per gallon

RKA

*****REVISED***
 BID FORM -- TANK WAGON**

	Est. Usage*	Average	±	Price/gallon	Ext. Total#
Unleaded	47,500	\$ <u>2.7571</u>	<u>+ .1195</u>	\$ <u>2.8766</u>	\$ <u>136,638.50</u>
Unleaded Mid-Grade	40,000	\$ <u>2.8257</u>	<u>+ .1195</u>	\$ <u>2.9452</u>	\$ <u>117,808.00</u>
ULS Premium Diesel #2	22,500	\$ <u>3.2860</u>	<u>+ .1195</u>	\$ <u>3.4055</u>	\$ <u>76,623.75</u>
ULS Diesel #2	77,000	\$ <u>3.2428</u>	<u>+ .1195</u>	\$ <u>3.3623</u>	\$ <u>258,897.10</u>
ULS Dyed Diesel #2	39,500	\$ <u>3.2421</u>	<u>+ .1195</u>	\$ <u>3.3616</u>	\$ <u>132,783.20</u>
ULS Dyed Diesel #1	200 *		<u>* + .1975</u>		
Biodiesel B-5 (Optional)	1,000	\$ <u>3.3069</u>	<u>+ .1310</u>	\$ <u>3.4379</u>	\$ <u>3,437.90</u>
Biodiesel B-10 (Optional)	1,000	\$ <u>3.3710</u>	<u>+ .1115</u>	\$ <u>3.4825</u>	\$ <u>3,482.50</u>
Biodiesel B-20 (Optional)	1,000	\$ <u>3.4992</u>	<u>+ .0960</u>	\$ <u>3.5952</u>	\$ <u>3,595.20</u>
E85 Ethanol (Optional) #	1,000	* Available upon request.		Total:	\$ <u>733,266.15</u>

The term "tank wagon" is intended to describe delivery in lots of 5,000 or less. Please specify minimum delivery quantity: 150 gallons, If under 150 gallons a \$100⁰⁰ additional charge will apply.

- Identify all sources of supply: Marathon, Citgo, Husky, Sunoco, BP Oil, Shell and World Fuels
- Approximate annual volume in gallons, in Southeast Michigan: 99,331,483 gallons - APPROXIMATE TOTAL

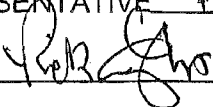
* Estimated yearly product usage of cooperative in gallons
 # Extended total is calculated by multiplying estimated yearly product usage by price per gallon

RKA

HOLD HARMLESS AND INDEMNITY

To the fullest extent permitted by law, the contractor expressly agrees to indemnify and hold the City of Sterling Heights (City), its elected and appointed officials, employees and volunteer and others working on behalf of the City, harmless from and against all loss, cost, expense, damage, liability or claims, whether groundless or not, arising out of the bodily injury, sickness or disease (including death resulting at any time therefrom) which may be sustained or claimed by any person or persons, or the damage or destruction of any property, including the loss of use thereof, based on any act or omission, negligent or otherwise, of contractor or anyone acting in its behalf in connection with or incident to this contract or the work to be performed hereunder, except that the contractor shall not be responsible to the City on indemnity for damages caused by or resulting from the City's sole negligence; and the Contractor shall, at its own cost and expense, defend any such claim and any suit, action, or proceeding which may be commenced hereunder, and the Contractor shall pay any and all judgments which may be recovered in any such suit, action or proceeding, and any and all expense, including, but not limited to, costs, attorneys' fees and settlement expenses which may be incurred therein.

PLEASE PRINT:

CONTRACTOR NAME RKA Petroleum Companies, Inc.
AUTHORIZED REPRESENTATIVE Rick Enright
SIGNATURE 
CONTRACTOR ADDRESS 28340 Wick Rd.
CITY/STATE/ZIP Romulus, MI 48174
PHONE (734) 946-2235
E-MAIL bids@rkapetroleum.com
WITNESS Christina Kassen
DATE 10.28.11

This form **must** be completed and returned with your bid.

Sandra
313-220-4129

****REVISED***
BID FORM

The undersigned hereby declares that the instructions and specifications have been carefully examined and that **TRUCK TRANSPORT AND TANK WAGON DELIVERIES OF LEADED AND UNLEADED GASOLINE, AND DIESEL FUEL** will be furnished 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, 2012 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: Sandra Schoenrade
313-220-4129 or 800-878-2000
listen to prompts for on call dispatch. \$35.00
Indicate split order charges, if any: _____

Indicate if payment by a Purchasing Card is acceptable: N/A

List Cards Accepted: N/A

How did you receive notification of this bid? MITN Website

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

COMPANY Atlas Oil Company

ADDRESS 24501 Ecorse

CITY/STATE/ZIP Taylor, MI 48180

REPRESENTATIVE/TITLE Bob Kenyon - EVP Sales & Bus. Dev.

PHONE/FAX (313) 662-3594 F) 313-447-2000

REALISTIC DELIVERY TIME IN HOURS within 24 hours

TERMS Net 30

EMAIL ADDRESS/WEBSITE www.atlasoil.com

SIGNATURE [Signature] DATE 10/31/11

*****REVISED***
 BID FORM -- TRUCK TRANSPORT**

	Est. Usage*	Average	±	Price/gallon	Ext. Total#
Unleaded	2,505,000	\$ <u>2.6801</u>	<u>+ .0235</u>	\$ <u>2.7036</u>	\$ <u>6,772,518.⁰⁰</u>
Unleaded Mid-Grade	434,000	\$ <u>2.7486</u>	<u>+ .0235</u>	\$ <u>2.7721</u>	\$ <u>1,203,091.40</u>
Unleaded Premium	1,000	\$ <u>2.8994</u>	<u>0</u>	\$ <u>2.8994</u>	\$ <u>2,899.40</u>
ULS Diesel #1	1,000	\$ <u>3.5048</u>	<u>0</u>	\$ <u>3.5048</u>	\$ <u>3,504.80</u>
ULS Premium Diesel #2	428,000	\$ <u>3.2137</u>	<u>+ .0259</u>	\$ <u>3.2396</u>	\$ <u>1,386,548.⁸⁰</u>
ULS Diesel #2	657,000	\$ <u>3.2444</u>	<u>+ .0259</u>	\$ <u>3.2703</u>	\$ <u>2,148,587.¹⁰</u>
Biodiesel B-5 (Optional)	1,000	\$ <u>3.1915</u>	<u>0</u>	\$ <u>3.1915</u>	\$ <u>3,191.50</u>
Biodiesel B-10 (Optional)	1,000	\$ <u>3.2334</u>	<u>0</u>	\$ <u>3.2334</u>	\$ <u>3,233.40</u>
Biodiesel B-20 (Optional)	1,000	\$ <u>3.0979</u>	<u>0</u>	\$ <u>3.0979</u>	\$ <u>3,097.90</u>
E85 Ethanol (Optional)	1,000	NO BID	NO BID	Total:	\$ <u>11,526,672.³⁰</u>

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: \$ 35⁰⁰

1. Identify all sources of supply: Marathon Husky Sunoco Cenex Buckeye Energy Shell Valero Pilot

2. Approximate annual volume in gallons, in Southeast Michigan: 200,000,000

* Estimated yearly product usage of cooperative in gallons

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

*****REVISED***
BID FORM --- TANK WAGON**

	Est. Usage*	Average	±	Price/gallon	Ext. Total#
Unleaded	47,500	\$ <u>2.6801</u>	<u>+ .1100</u>	\$ <u>2.7901</u>	\$ <u>132529.75</u>
Unleaded Mid-Grade	40,000	\$ <u>2.7486</u>	<u>+ .1100</u>	\$ <u>2.8586</u>	\$ <u>114344.00</u>
ULS Premium Diesel #2	22,500	\$ <u>3.2137</u>	<u>+ .1100</u>	\$ <u>3.3237</u>	\$ <u>74783.25</u>
ULS Diesel #2	77,000	\$ <u>3.2444</u>	<u>+ .1100</u>	\$ <u>3.3544</u>	\$ <u>258288.80</u>
ULS Dyed Diesel #2	39,500	\$ <u>3.1801</u>	<u>+ .1100</u>	\$ <u>3.2901</u>	\$ <u>129958.95</u>
ULS Dyed Diesel #1	200	<u>3.4282</u>	<u>0</u>	<u>3.4282</u>	<u>685.64</u>
Biodiesel B-5 (Optional)	1,000	\$ <u>3.1915</u>	<u>0</u>	\$ <u>3.1915</u>	\$ <u>3191.50</u>
Biodiesel B-10 (Optional)	1,000	\$ <u>3.2334</u>	<u>0</u>	\$ <u>3.2334</u>	\$ <u>3233.40</u>
Biodiesel B-20 (Optional)	1,000	\$ <u>3.0979</u>	<u>0</u>	\$ <u>3.0979</u>	\$ <u>3097.90</u>
E85 Ethanol (Optional)	1,000	No Bid	No Bid	Total:	\$ <u>720,113.19</u>

The term "tank wagon" is intended to describe delivery in lots of 5,000 or less. Please specify minimum delivery quantity: 200 gallons

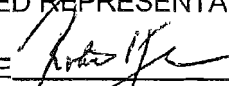
1. Identify all sources of supply: Marathon, Husky, Sunoco, Cenex, Buckeye Energy, Shell, Valero, Pilot
2. Approximate annual volume in gallons, in Southeast Michigan: 200,000,000

* Estimated yearly product usage of cooperative in gallons
Extended total is calculated by multiplying estimated yearly product usage by price per gallon

HOLD HARMLESS AND INDEMNITY

To the fullest extent permitted by law, the contractor expressly agrees to indemnify and hold the City of Sterling Heights (City), its elected and appointed officials, employees and volunteer and others working on behalf of the City, harmless from and against all loss, cost, expense, damage, liability or claims, whether groundless or not, arising out of the bodily injury, sickness or disease (including death resulting at any time therefrom) which may be sustained or claimed by any person or persons, or the damage or destruction of any property, including the loss of use thereof, based on any act or omission, negligent or otherwise, of contractor or anyone acting in its behalf in connection with or incident to this contract or the work to be performed hereunder, except that the contractor shall not be responsible to the City on indemnity for damages caused by or resulting from the City's sole negligence; and the Contractor shall, at its own cost and expense, defend any such claim and any suit, action, or proceeding which may be commenced hereunder, and the Contractor shall pay any and all judgments which may be recovered in any such suit, action or proceeding, and any and all expense, including, but not limited to, costs, attorneys' fees and settlement expenses which may be incurred therein.

PLEASE PRINT:

CONTRACTOR NAME Atlas Oil Company
AUTHORIZED REPRESENTATIVE Bob Kenyon
SIGNATURE 
CONTRACTOR ADDRESS 24501 Ecorse
CITY/STATE/ZIP Taylor, MI 48180
PHONE 313-662-3594
E-MAIL Sandra.s@atlasoil.com
WITNESS Sandra Schoenrade
DATE 10/31/11

This form must be completed and returned with your bid.