



Public Works Service Operations

DATE: February 13, 2024

FROM: Steven Salwei, Director Public Works Services

ITEM: Approve Fuel Bid Award to Farstad Oil, Inc.

REQUEST:

Request permission to award the bid for Diesel Fuel and Gasoline Supplies to Farstad Oil, Inc.

BACKGROUND INFORMATION:

A request for proposal for furnishing Diesel Fuel and Gasoline Supplies for a one (1) year period starting in 2024 and automatically renew for four (4) additional one-year periods for the City of Bismarck was opened and reviewed on January 29, 2024. Two vendors submitted bids. We recommend accepting the low bid and award to Farstad Oil, Inc. with the Rack Price of +\$0.01/gallon. The bid tab and RFP are attached.

RECOMMENDED CITY COMMISSION ACTION:

Approve the bid award for Diesel Fuel and Gasoline Supplies to Farstad Oil, Inc.

STAFF CONTACT INFORMATION:

Steven Salwei, Director Public Works Services, 701-355-1705, ssalwei@bismarcknd.gov

ATTACHMENTS:

1. Bid Tab - Furnishing Diesel Fuels And Gasoline Supplies
2. Fuel Bid Proposal for 2024

CITY OF BISMARCK PUBLIC WORKS DEPARTMENT
 PO BOX 5503 -BISMARCK ND 58506-5503

BIDS RECEIVED: 10:00 am CT Monday, January 29, 2024
 BIDS OPENED: 11:00 am CT Monday, January 29, 2024

Furnishing Diesel Fuels And Gasoline Supplies
BID TABULATION

	VENDOR:	Farstad Oil, Inc.	Tri Energy Cooperative
Product	Description	Rack +/-	Rack +/-
Diesel	#1	+ <u>\$0.01</u> /gal	+ <u>\$0.02</u> /gal
Diesel	#1 Dyed		
Diesel	#2		
Diesel	#2 Dyed		
Gasoline	E87 Unleaded Gasoline		

**PROPOSAL
FOR
FURNISHING DIESEL FUELS AND GASOLINE SUPPLIES
CITY OF BISMARCK
2024**

**PUBLIC WORKS DEPARTMENT
BISMARCK, NORTH DAKOTA**

**BIDS RECEIVED
January 29, 2024
10:00 AM**

**BIDS OPENED
January 29, 2024
11:00 AM**

ADVERTISEMENT

The City of Bismarck is seeking cost proposals from qualified suppliers or their representatives for Furnishing Diesel Fuels and Gasoline supplies for a one (1) year period starting in 2024 and automatically renew for four (4) additional one-year periods. Proposals for the Furnishing Diesel Fuels and Gasoline supplies for the City of Bismarck will be received by the Board of City Commissioners of the City of Bismarck in the office of the City Administrator, until 10:00 a.m. on Monday, January 29, 2024. Bids will be publicly opened and reviewed at 11:00 a.m. on Monday, January 29, 2024.

The proposals must be mailed to the City Administrator Office (PO Box 5503, Bismarck ND 58506-5503) or otherwise deposited with the City Administrator Office (221 North Fifth Street, Bismarck ND 58501) and shall be sealed and endorsed "Furnishing Diesel Fuels and Gasoline Supplies for 2024." If a bid is to be faxed, the bid must be sent to a bidder's agent independent of the City of Bismarck, placed in a sealed envelope, labeled according to this specification, and delivered to the office of the City Administrator prior to the bid deadline.

Bids must be submitted on blanks furnished by the City of Bismarck and in accordance with specifications and conditions therein contained. Copies of proposal blanks and specifications may be downloaded from the website or obtained from the Public Works Service Operation, 601 S 26th St, Bismarck ND 58504, or Gale Nicholson, publicworksservice@bismarcknd.gov or 701-355-1707. All bidders are invited to be present at the opening of proposals.

The right is reserved to hold all bids for a period of forty-five (45) days, to reject any and all bids, to waive technicalities or to accept such as may be determined to be for the best interest of the City of Bismarck.

CITY OF BISMARCK
Jason Tomanek
Acting City Administrator

Adv 1/12 & 1/19

GENERAL CONDITIONS

The Standard Specifications described below, the plans, and all supplementary documents are essential parts of the contract, and a requirement occurring in one is as binding as though occurring in all.

The Detailed Minimum Specifications described below, are to be met or exceeded. The SUPPLIER must provide in writing the information, specs, and a reason for the deviation or any alternative from the Detailed Minimum Specifications.

The SUPPLIER shall take no advantage of any apparent error or omission in the plans or specifications. In the event the SUPPLIER discovers such an error or omission, the SUPPLIER shall immediately notify the Public Works Director of Service Operations. The Public Works Director of Service Operations will then make such corrections and interpretations as may be necessary for fulfilling the intent of the plans and specifications.

The SUPPLIER shall give the work the constant attention necessary to facilitate the progress thereof and shall cooperate with the Public Works Director of Service Operations, inspectors, and other SUPPLIERS in every way possible.

INSURANCE REQUIREMENTS: All delivery vehicles going onto city property (whether owned or contracted) must be properly licensed and insured to operate in the state of North Dakota. All vehicles must carry at least the following insurance coverage:

SUPPLIER shall provide a certificate of insurance prior to starting the work. The City of Bismarck shall be named as an additional insured with waiver of subrogation on the policy for the duration of this contract. The City shall be immediately notified of any cancellation or cessation of insurance coverage.

Comprehensive Liability Insurance	
Bodily Injury	\$ 500,000 Each Person \$2,000,000 Each Occurrence
Property Damage	\$2,000,000 Each Occurrence

Comprehensive Automobile Liability	
Bodily Injury	\$ 500,000 Each Person \$2,000,000 Each Accident
Property Damage	\$2,000,000 Each Occurrence

Note:

- A. Comprehensive General Liability must be provided by the company contracting with the City of Bismarck for this contract.
- B. If other entities are providing delivery services, Supplier must insure that their subcontractors will be responsible for the insurance with limits as listed above to make the City whole in the event of a claim or that the Supplier will be responsible.
- C. All above dollar values are in United States dollars.

The successful Supplier may need to provide a Delegation of Authority documentation showing who can sign on behalf of the company with the signed contract.

Delegation of Authority

- INC - president & vice president, secretary, and treasurer can sign. Others would need a show a delegation of authority to sign.
- LLC - Member, Managing Member, Officer (like President, VP, Sec/Treas) are OK with Inc's or LLC. Others would need to show a delegation of authority to sign.
- If not an LLC or Inc they are a DBA (doing business as) so they would be signing as an individual, so contract is in "persons name" and DBA "name of company."

STANDARD SPECIFICATIONS

The CITY OF BISMARCK has a need for the Furnishing of Diesel Fuels and Gasoline supplies, as required. The term of the agreement shall be for one (1) year and shall automatically renew for four (4) additional one-year periods unless either party shall have cancelled the agreement by giving the other party 30 days written notice of cancellation.

The contract shall include both Diesel Fuels and Gasoline. A SUPPLIER is required to bid on all products listed to have a valid bid. Bid bonds are not required to be submitted with the bid. A fax or scanned and emailed bid is acceptable if sent to a third party and not directly to the City of Bismarck. The third party is then responsible for the delivery of the bid to the City of Bismarck prior to the date and time listed for the receipt of bids. Label the bid envelope "Diesel Fuels and Gasoline Supplies for 2024."

Delivery of Diesel Fuel and Gasoline products shall occur within 24 hours of receipt of written notice to deliver. Notice to deliver may include the call for various types and quantities of Diesel Fuel and/or Gasoline to be received at the Department of Public Works Location located at 601 South 26th Street, Bismarck ND 58504 or the Bismarck Landfill Location located at 2111 North 52nd Street, Bismarck ND 58501 as directed by the CITY OF BISMARCK.

There will be no guarantee as to the quantity of Diesel Fuels and Gasoline required as such material shall be based on need.

DETAILED MINIMUM SPECIFICATIONS

FURNISHING DIESEL FUELS AND GASOLINE SUPPLIES **FOR 2023 and 2024**

#1 Diesel Fuel

- 1) Both Clear and Dyed Diesel
- 2) The fuel must meet a POUR POINT of -45 deg. F or greater.
- 3) The fuel must meet a CLOUD POINT of -10 deg. F or greater.
- 4) The fuel must meet a CFPP (Cold Filter Plug Point) of -30 deg. F or better.
- 5) The fuel must have a LUBRICITY by HFRR (High Frequency Rotating Rig) with a minimum of 430.
- 6) The fuel must be delivered to our site within 24 hours of the order being placed unless delivery arrangements are pre-approved.
- 7) The fuel must meet any and all federal guidelines.

#2 Diesel Fuel

- 1) Both Clear and Dyed Diesel
- 2) The fuel must meet a **POUR POINT** of 0 deg. F or greater.
- 3) The fuel must meet a **CLOUD POINT** of 14 deg. F or greater.
- 4) The fuel must meet a **CFPP** (Cold Filter Plug Point) of 12 deg. F or better.
- 5) The fuel must have a **LUBRICITY by HFRR** (High Frequency Rotating Rig) minimum of <520.
- 6) The fuel must be delivered to our site within **24 hours** of the order being placed unless delivery arrangements are preapproved.
- 7) The fuel must meet any and all federal guidelines.

E87 unleaded gasoline (with or without 10% Ethanol)

- 1) Additives to meet the OEM requirements for "Top Tier" gasoline rating.
- 2) The fuel must be delivered to our site within **24 hours** of the order being placed unless delivery arrangements are pre-approved.
- 3) The fuel must meet any and all federal guidelines.

Rack Pricing

- 1) Bids shall be awarded on the "Rack Price" plus or minus any added cost for markup and delivery.
- 2) PROOF of current daily rack price must be provided with every load.

Product Consistency Oversight

- Random sampling of fuel supplies may be taken from any delivery by the City of Bismarck and tested to meet spec compliance. If the results comply with the specification, the city will stand the expense. If results do not comply. The Supplier will be required to remove all product within 24 hours after notification. The Supplier will replace and pay for, a suitable product and bear the costs of all test analyses if the product tested does not comply with the City's specifications.

Deliveries

- Motor Fuels shall be delivered by the contractor in appropriate vehicles and all transportation and delivery costs shall be borne by the Supplier. Trucks delivering fuels shall be equipped with proper equipment such as ticket printers and meters to assure accurate measures. All vehicles will display State of North Dakota certification and safety placard.

Delivery Locations

- Fuel will be delivered to the Bismarck Public Works Department location, 601 South 26th Street Bismarck ND 58504 or the Bismarck Landfill location, 2111 North 52nd Street Bismarck ND 58501 or in combination of each location by the tanker load and the tanker may consist of a combination of diesel and unleaded gasoline quantities to meet the tanker load requirements.

Office Hours

- Monday through Friday 8:00 AM to 4:30 PM. Coordinate with City staff for deliveries outside the normal office hours
- If the Supplier is unable to comply with this requirement, the City reserves the right to purchase fuels on the open Market.

Any questions regarding this bid should be referred to Kurt Ohnell – City of Bismarck Fleet Manager, 701-355-1711.

Proof of current rack price with each load shall be provided to the City.

Provide pricing for product below:

Product	Description	Rack +/-
Diesel	#1	+ ____/gal
Diesel	#1 Dyed	
Diesel	#2	- ____/gal
Diesel	#2 Dyed	
Gasoline	E87 Unleaded Gasoline	

In submitting the bid, it is understood that the contract will be awarded on the basis of lowest and best bid, that the right to reject any and all bids is reserved by the owner, and it is agreed that this bid may not be withdrawn within 60 days after actual date of the opening. Payments will be made within 30 days after receipt of invoice.

PROPOSAL

Bidder: _____ Date: _____

Commissioners:

The undersigned proposes to furnish diesel fuels and gasoline supplies to the CITY OF BISMARCK at the unit prices listed below:

The term of the agreement shall be for one (1) year from the date the contract is signed and shall automatically renew for four (4) additional one-year periods unless either party shall have cancelled the agreement by giving the other party 30 days written notice of cancellation.

Product	Description	Rack +/-
Diesel	#1	+ ____/gal
Diesel	#1 Dyed	
Diesel	#2	- ____/gal
Diesel	#2 Dyed	
Gasoline	E87 Unleaded Gasoline	

The foregoing proposal is in accordance with the advertisement and the specifications, and the Bidder agrees on acceptance of this proposal to enter into contract and complete said work in accordance with the advertisement and specifications and this proposal, all of which shall be made a part hereof.

FIRM (legal name) _____

SIGNATURE (Authorized) _____

PRINTED NAME & TITLE _____

ADDRESS _____

CITY STATE ZIP CODE _____

PHONE _____

EMAIL _____