



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O. BOX 2977 AGANA, GUAM U.S.A. 96932-2977

June 08, 2018

AMENDMENT NO.: VIII

FOR

INVITATION FOR MULTI-STEP BID NO.: GPA-008-18

FOR

SUPPLY OF DIESEL FUEL OIL NO. 2

Prospective Bidders are hereby notified of the following changes and response to inquiries received from IP&E dated 05/18/2018 and 05/22/2018 and Mobil Oil Guam dated 06/06/2018:

CHANGES:

1. VOLUME I – COMMERCIAL TERMS AND CONDITIONS, Introduction

Change in Table 1, Bid Milestone:

Bid Process Milestones		From	To
Bid Announcement		11/16/2017	01/16/2018
Pre-Bid Conference (Non-mandatory)		11/30/2017 (10:00 am)	
Site Visit (Non-mandatory)		11/30/2017 (1:30 pm)	
Submit Questions		11/16/2017	06/15/2018
Cut Off Date for Receipt of Questions		06/15/2018	
GPA Review and Answer Questions		11/16/2017	06/22/2018
Vendor Prepare Bids		11/16/2017	07/06/2018
Cut Off Date for Receipt of Proposals (Technical and Price Proposals)		07/06/2018 2:00 PM Guam Time	
EVALUATION Step One:	Technical Proposal (Bid) Evaluation	07/09/2018	07/13/2018
	Notify Qualified Bidders	07/16/2018	07/20/2018
Price Proposal Opening		08/06/2018 2:00 PM Guam Time	
EVALUATION Step Two:	Price Proposal Evaluation	08/07/2018	08/10/2018
Approvals		TBD	
Notice of Intent to Award		TBD	
Contract Signing		TBD	
Contract Mobilization		TBD	
Contract Commencement		01/01/2019	

2. **VOLUME I – COMMERCIAL TERMS AND CONDITIONS**

2.13. **AWARD OF CONTRACT**

Please note verbiage is changed

FROM: “The contract will be awarded to the BIDDER evaluated as being qualified and with the best-priced proposal for the THREE (3) year contract base period.”

TO NOW READ: “The contract will be awarded in whole to the BIDDER evaluated as being qualified and with the best-priced proposal for the FIXED SERVICE FEE for the THREE (3) year contract base period.”

3. **4.3. PRICE PROPOSAL EVALUATION**

From Amendment VI

DELETE: “The contract will be awarded to the BIDDER evaluated as being qualified and with the best-priced proposal for the THREE (3) year contract base period.”

And replace with: “The contract will be awarded in whole to the BIDDER evaluated as being qualified and with the best-priced proposal for the FIXED SERVICE FEE for the THREE (3) year contract base period.”

4. **VOLUME II – CONTRACT**

SECTION 13. SECURITY OF SUPPLY

From Amendment VI

DELETE in its entirety and replace with:

“**CONTRACTOR** reserves the right to supply fuel oil meeting **GPA** specifications from any source. In the event that supplies are taken from such other places, then the price to Guam will remain the same as established in Section 4 above.

- a. For security of supply, **CONTRACTOR** is also required to enter into a sublease agreement with **GPA** as provided in **Schedule D**. Contractor shall utilize the bulk storage tank at the Tristar Terminals with a storage capacity of 196,000 barrels for additional storage capacity and shall be limited to the storage of product for delivery to **GPA** to meet the supply requirement. The monthly tank lease fee shall be waived by **GPA**. Other responsibilities for the sub-lease shall be on the **CONTRACTOR**.

GPA currently owns certain inventory stock of Fuel Oil and may be used by **GPA** at any time at its sole discretion. **CONTRACTOR** may be allowed to initially utilize the **GPA** stock to deliver to the **GPA** plants until **CONTRACTOR** receives its fuel shipment.

Title to the **GPA** stock shall remain with **GPA**. Custody shall be transferred to **CONTRACTOR**

upon commencement of the contract until it is delivered to the **GPA** plants and shall pass from the **CONTRACTOR** to **GPA** when:

1. The Fuel Oil has passed the **GPA** pipeline flange at the **GPA** plant storage tanks connecting the **CONTRACTOR**'s hose if delivered by tanker truck.
2. The Fuel Oil has passed the **GPA** meter flange or pipeline flange at the **GPA** plant storage tanks connecting the **CONTRACTOR**'s pipeline flange if delivered by pipeline.

All risk of loss, cost and liabilities prior to the time of passage of custody of the fuel oil shall be on the **CONTRACTOR**.

CONTRACTOR is required to maintain a minimum of one-hundred thousand barrels (100,000 bbl.) of Fuel Oil inventory at the sub-leased tank. **CONTRACTOR** shall replenish and manage the inventory in a manner that will ensure security of supply to **GPA**. Product meeting the quality requirements specified in **Schedule A** will be allowed to comeingle with the **GPA** product. The contract price for the delivery of **GPA** stock to the **GPA** plants shall be at the contract **Delivery Fixed Service Fee** established in **Section 4** above.

At the expiration of the contract, **GPA** and **CONTRACTOR** shall reconcile the inventory remaining in the sub-leased tank:

- i. In the event that the volume is in excess of the **GPA** stock, the difference shall be reimbursed by **GPA** to the **CONTRACTOR**;
 - ii. In the event the remaining inventory is less than the **GPA** stock, the difference shall be reimbursed by **CONTRACTOR** to **GPA** or by way of reduction from **GPA**'s debts to the **CONTRACTOR** or from the Good Performance Bond of the Contract, or partially from both;
 - iii. Time of Settlement: Shall be at the termination of the contract or as otherwise agreed by both parties; Settlement Price: Reference Price (Average of Mean of Platts Singapore or MOPS under the heading Gasoil 10ppm for the month prior to from the date fuel is delivered into tank) plus the contract **Supply Fixed Service Fee** established in **Section 4** above.
- b. For security of supply in the event of unexpected, unplanned or forced baseload outages, severe typhoon or other calamities. **CONTRACTOR** shall prioritize delivery to the **GPA** plants and guarantee uninterrupted supply and delivery of Fuel Oil during the recovery period. **CONTRACTOR** must also be able to provide sufficient fleet to deliver the quantities listed in **Schedule C** as may be required by **GPA**.

CONTRACTOR must submit weekly and monthly fuel inventory and delivery report to **GPA**.

GPA reserves the right to audit the CONTRACTOR for safety fuel inventory stock compliance. Such audit shall be in accordance with generally accepted accounting practices."

IP&E inquiry dated 05/18/2018:

QUESTION:

1. Reference: Amendment VI, Page 4, Section 8- Payment of Taxes and Government Charges
Please confirm that GRT is applicable to the delivery fee component of pricing?

ANSWER:

GPA is exempt from GRT, hence should not be included in the delivery fee component of pricing.

QUESTION:

2. How will the sections of the pricing be evaluated? Will the pricing components be deconstructed or will they be evaluated as a whole?

ANSWER:

See above for Amendment VIII to Volume I, 4.3 (Price Proposal Evaluation). The contract will be awarded in whole to the BIDDER evaluated as being qualified and with the best-priced proposal for the FIXED SERVICE FEE for the THREE (3) year contract base period.

QUESTION:

3. Reference: Amendment VI, Page 7, Section 13a, Security of Supply:

Please confirm that GPA will take title of the referred 100k bbl. of fuel upon delivery into the Tristar leased tank.

ANSWER:

Refer to Amendment VI, Page 7, Section 13ai, GPA will take title of the product if in excess of the GPA stock only towards the end of the contract.

QUESTION:

4. Please confirm that price will be based upon previous month's mops average, from the date fuel is delivered into tank.

ANSWER:

Yes. See above for Amendment VIII to Volume II Section 13aiii.

QUESTION:

5. Reference: Amendment VII, Page 5, Section 5 - Indemnification & Insurance

Can GPA provide the value of the leased tank for insurance purpose?

ANSWER:

GPA cannot provide the value of the leased tank. The insurance requirements and amount of coverage is specified by Tristar under Volume II/Schedule E (Master Lease Agreement) /Section 11.

IP&E Inquiry dated 05/22/2018:

QUESTION:

1. Reference: Amendment VI, Page 2, Section 2 - Fuel Oil to Be Supplied

In lieu of transfer pumps on the delivery trucks, can the contractor maintain an inventory of spare transfer pumps and be responsible for replacing the facility pump in the event of pump failure?

ANSWER:

In lieu of transfer pumps on the delivery trucks, Contractor at its sole expense, shall install a pump or replace defective pumps at the facility and maintain an inventory of spare transfer pumps and be responsible for replacing the facility pump in the event of pump failure.

QUESTION:

2. Reference: Amendment VI, Page 5-6, Section 11-Quantity and Quality Assurance

In lieu of transfer pumps on the delivery trucks, can the contractor maintain an inventory of spare transfer pumps and be responsible for replacing the facility pump in the event of pump failure?

ANSWER:

In lieu of transfer pumps on the delivery trucks, Contractor at its sole expense, shall install a pump or replace defective pumps at the facility and maintain an inventory of spare transfer pumps and be responsible for replacing the facility pump in the event of pump failure.

QUESTION:

3. Reference: Amendment VII, Page 3, Section 1.02 - Use Rights of OWNER and GPA

As outlined in the Sublease Agreement, how would the quality of the fuel be determined?

ANSWER:

See above for Amendment VIII on Volume II Section 13a.

QUESTION:

4. Should GPA and OWNER of the tank, allow other parties to comingle fuel into the leased tank?

ANSWER:

GPA will allow other parties to comingle fuel into the leased tanks specially under the conditions stipulated in Volume II, such as: Section 20 (Alternate Supply); Section 27(Failure to Supply); Section 30 (Penalty Clauses); Section 31 (Default); and other pertinent Sections.

QUESTION:

5. Reference: Amendment VII, Page 3, Section 3 - Use of Leased Storage Facility

IP&E requests to be able to fully utilize ullage in the leased tank.

ANSWER:

Contractor may fully utilize the available ullage in the leased tank. However, the safe storage capacity and ullage may be subject to change as determined by Tristar.

Inquiry from Mobil Oil Guam dated 06/06/2018:

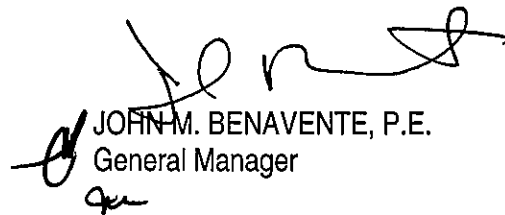
QUESTION:

1. Mobil Oil Guam Inc is requesting an extension of the Question & Answer deadline from Friday, June 8, 2018 to Friday, June 22, 2018.
The additional time is required to do a proper review of all the changes in Amendment VII.

ANSWER:

The deadline for the Questions will be extended to June 15, 2018. Deadlines for Answers shall be extended to June 22, 2018. Please see revised bid milestones is in Amendment VIII above.

All other Terms and Conditions in the bid package shall remain unchanged and in full force.


JOHN M. BENAVENTE, P.E.
General Manager