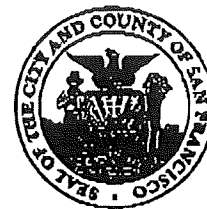


City and County of San Francisco  
Office of Contract Administration  
Purchasing Department  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4685



# Contract Modification 2

Fuel, Diesel and Gas

Western States Oil  
Bob Brown  
P.O. Box 1307  
San Jose, CA 95107

E-mail: [bbrown@lubeoil.com](mailto:bbrown@lubeoil.com)

Date: February 3, 2010  
Buyer Name: Jeannie Louie  
Term contract: 70882  
City Blanket No.: BPSF00003605  
Type: Indefinite quantity  
Not-to-exceed amount: \$25,000,000

The history of this contract and its modifications is as follows:

Modification	Start date	End date	Amount	Other changes
Original contract	09-01-09	08-31-10	No Change	
1	n/c	n/c	n/c	Add Items 228 & 324
2	2-3-10	n/c	n/c	Add Item 801

This modification 2 changes the contract as follows:

Per Special Condition 81 – Additional Items, the following item and Special Conditions 89 through 108 have been added to the contract. (See Attachment "B").

Item: Primary: 801

All other terms and conditions remain the same.

Approved by the City:

Naomi Kelly, Director of OCA and Purchaser

2-4-10  
Date

Approved by Contractor:

Signature

2-8-10  
Date

Name and title

Robert Brown Spec Proj Mgr.

ATTACHMENT B"  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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**Price**

<b>Item</b>	<b>Location</b>	<b>Product</b>	<b>Est. Annual Qty in Gallons</b>	<b>Unit of Measure</b>	<b>Contractor Fixed Mark-up Cost</b>
801	SFPUC Oceanside Plant (OSP)	Methanol	5,000	gallons	\$.65

ATTACHMENT B”  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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**NOTE:** The following additional new item, #801, specifications and requirements in this attachment are for supplying and delivering Methanol to the San Francisco Public Utilities Waste Water Enterprise. The additional item, specifications, requirements, and prices will be added under the City’s Contract Award #70882, Fuel, Diesel, Biodiesel, Gas, and Propane Contract per Special Condition 81, “Additional Items”. The contract term of Contract 70882 is from September 1, 2009 through August 31, 2010. All Bid and Contract Conditions 1 through 35 and General Conditions 36 through 67 of Contract Proposal 70882 shall apply to this contract attachment. The following additional Special Conditions will apply to the specifications and requirements for the supply of Methanol as stated herein.

**89. Purpose**

The purpose of this contract is to furnish and deliver Methanol to the San Francisco Public Utilities Commission Waste Water Enterprise Oceanside Plant.

**90. Specifications**

The Contractor shall be responsible for timely delivery of methanol to the City and County of San Francisco Oceanside Plant.

**A. Methanol**

Methanol Technical Grade to be delivered to Oceanside Plant (OSP) in San Francisco as specified below.

Formula CH<sub>3</sub>OH

Components:

CH <sub>3</sub> OH	99.99% w/w (weight of solvent/weight of solute ratio)
Water	0.01% w/w
Acetone	<0.001% ppm
Acetone and Aldehydes	<0.003% ppm
Other Alcohols	<0.001% w/w
Total Sulfur	<0.5 ppm
Chlorides	<0.5 ppm
Iron	<0.01ppm
Specific Gravity	0.7923 @ 20 °C

**B. Methanol Storage Totes**

1. The Contractor shall furnish and deliver two (2) 550-gallon stainless steel tote (total 1,100 gallons) containers to designated SFPUC site.

ATTACHMENT B”  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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2. The Contractor shall warrant and provide totes in good operating condition through the contract period and any extensions issued thereafter. The methanol storage totes shall be International Bulk Container (IBC) stainless steel. Containers shall be leak proof, contaminant free, and be capable of withstanding seismic and wind requirements applicable to the installation location.
3. The Contractor shall warrant and provide all necessary filling and safety piping, fittings, and valving for the methanol totes.
4. The City will provide a grounding rod on-site for the storage totes.
5. Contractor shall furnish tank and related accessories, as needed, on an equipment rental basis with equipment rental fee if applicable.
6. Storage totes shall meet all Cal-OSHA, EPA, UL, and Fire code requirements. Contractor must comply and be in accordance with Cal/ OSHA Title 8 and any and all other local State and Federal regulatory safety requirements.
7. The stainless steel totes will be the sole property of the contractor.

**91. Bidder's/Contractors Qualifications and Requirements**

- A. Contractor must have in-depth technical knowledge and experience in the products covered by the contract. Contractor must have and maintain, throughout the contract term, and any extension thereof, stocking levels of (25 %) on all products and articles required by the WWE. Failure to maintain adequate stock may result in the Purchaser invoking the Contractor's Default clause (General Condition No. 48) of the contract.
- B. Contractor will be responsible for providing technical support and assistance to the City. The Contractor must be available to answer questions and offer any assistance required personnel, during City business hours (7:00 A.M. – 5:30 P.M).
- C. Additionally, contractor must have appropriate DOT permits for transport of methanol (a Class 3 hazardous material). Bidder shall provide evidence that they are in possession of all applicable local, state, and federal permits.
- D. Contractor's warehouse facility shall comply with Title III of the Americans with Disabilities Act Regulations (including Title 3 Accessibility Guidelines), and Title 24, State of California Building Code (California Accessibility Regulations) regarding handicapped persons' accessibility.
- E. The City may require Contractor to provide within seven (7) working days from the date they are requested to do so, information and documentation requested by Purchaser, including but not limited to: sources of supply, distribution, dealership or agency

ATTACHMENT B"  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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agreements and authorizations from manufacturer's they claim to represent, lines of credit with financial institutions from manufacturer's they claim to represent, lines of credit with financial institutions and suppliers, numbers of employees, trade references and any other information to determine the Contractor's fitness to supply the contract requirements.

- F The City reserves the right to inspect Contractor's place of business, including Contractor's existing stock during the contract term, to aid Purchaser in determining Contractor's ability to satisfy the terms and conditions of the contract.

**92. Contractor's Responsibility**

- A. The Contractor, **must submit** with their quote, a statement to the effect that they are fully cognizant of all the factors involved in furnishing and delivering Methanol. Such factors, include, but are not limited to, complete familiarity with the layout of the City's facilities for storage of the product concerned and the concomitant requirements for transferring from Contractor's truck to City facility.
- B. The Contractor for the product shall be responsible for all costs incurred (equipment damage and or labor charges to correct problem or problems) due to impurities present in the delivered product. Contractor shall inform City department immediately of product quality problems and replace the delivered product, at no additional cost, within 24 hours of notification to the SFPUC facility.

**93. Delivery Requirements**

- A. Methanol will be delivered to:
- Oceanside Water Pollution Control Plant  
3500 Great Highway  
San Francisco, California 94132
- Monday through Friday, 7:00 AM to 5:00 PM
- B. Deliveries to be made by tank truck (The words "tank truck" as used herein shall be understood to mean a tractor trailer unit with trailer-mounted metal tank suitably constructed to contain the fuels as described above). The tank truck shall be labeled and constructed to meet all the requirements of the California State Highway Patrol, the Interstate Commerce Commission and any and all local jurisdictions having control over said tank truck operation.
- C. On the first initial delivery, Contractor will deliver two (2) empty methanol totes to City's site. Contractor shall unload the totes. City staff will set totes in place at City designated area. Upon City staff setting and securing totes in place, Contractor will fill

ATTACHMENT B”  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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the totes with methanol. A City representative must be present when the totes are unloaded and totes are filled with methanol by Contractor.

- D. During each shipment, Contractor shall refill the totes as required. It is estimated that refill will be required every 26-28 business days. The City representative will contact contractor with 48 hours advance notice to deliver the next shipment.
- E. Deliveries are to be made within 24 hours from when the orders are placed.
- F. The Contractor shall not refill methanol totes until a SFPUC employee is present. A metering devise must be presented at the time of delivery and a signed bill of lading must be presented to the SFPUC employee at the time of delivery.
- G. The Contractor will be responsible for the repair of any SFPUC owned roads, equipment or facilities that are damaged due to the improper unloading of the product by the vendor.
- H. All deliveries will be FOB Destination, freight prepaid and allowed.
- I. Any failure to deliver the methanol as requested will be subject to General Condition 17, Failure to Deliver. If Contractor fails to deliver methanol in the manner or within the time frame called for by this contract or, as requested by the City department, the City may purchase the fuel from another source on the open market. If the City has to pay a greater price, the excess price will be charged to and collected from the Contractor.

**94. Contractor’s License**

- A. If delivery is made by the Contractor, the Contractor shall be licensed under the State of California, Public Utilities Commission with either a Highway Carrier Contract Permit, a Common Carrier Certificate or a Cal PUC T Number. These permits and/or certificates must not be currently under probation or suspension as set forth by the State of California, Department of Consumer Affairs.
- B. In addition, the City and County of San Francisco requires the Contractor to submit an updated copy of identification (i.e. California’s Driver’s License) of each truck driver to ensure recognition upon delivery. The Vendor will notify the representative(s) of the San Francisco Public Utilities Commission; Wastewater Enterprise Division with the name of the driver prior to delivery.

**95. Security Measures for Delivery of Methanol**

Contractor shall adhere to the following security measures for the delivery of Methanol:

- A. Contractor shall send to the Wastewater Enterprise clear photographs with the names of the drivers making the deliveries.

ATTACHMENT B"  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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- B. Wastewater Enterprise shall be notified by phone and e-mail to a distribution list (provided by the City to the Contractor after Contract Award), before the truck leaves the terminal, with the name of the driver, this will allow us to match up the driver and photograph with his identification when he arrives.
- C. The manifests will contain the name and amount of chemical being delivered, name of driver, along with the meter numbers.
- D. Discrepancies could result in the loads being refused, certainly will result in delay of product being off loaded until discrepancies are satisfactorily resolved. The City's operator would notify the supervisors of the discrepancies

**96. Safety**

- A. The Contractor shall provide the delivery location one (1) complete set of: tote labels (e.g., identification and NFPA hazard labels) and Material Safety Data Sheets. Totes must meet all CAL-OSHA requirements. The totes shall be identified by bonded labels indicating the chemical being stored. An NFPA diamond-shaped hazard identification symbol shall also be included on each tote. Identification lettering shall be a minimum of 12 inches high and shall be plainly visible. Labels shall conform to the appropriate Fire Code and NFPA 704 for size and color. The hazardous material symbol shall be provided on all tanks.
- B. The Contractor will be responsible for all equipment safety requirements.
- C. Contractor is responsible for providing spill response (i.e., spill containment) during transport. Spill response should be completed within 4 hours of a reported spill.
- D. Contractor shall have an approved "Spill Contingency Plan" filed with the SFPUC WVE.
- E. All cost associated with any leaks, spills, and cleanup during delivery, connection, filling, disconnection will be borne by the Contractor All cost associated with any spill and cleanup will be borne by the Contractor.

**97. Material Safety Data Sheet**

All products required by this Contract must meet all applicable City, State, and Federal requirements pertaining to hazardous substances.

- A. Prior to award, Contractor must provide a completed Material Safety Data Sheet (MSDS) for products required by this contract. Contractor must provide such documents with their bid.
- B. MSDSs are subject to approval by SFPUC Safety Department.

ATTACHMENT B”  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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- C. Failure to provide MSDS documentation may result in application of General Condition 48 Contractor’s Default.
- D. MSDS forms must be submitted with all deliveries.

**98. Regulatory Requirements**

All items covered under this contract proposal must comply fully with all specifications stated in the contract proposal as well as all applicable local, state, federal, and ASTM standards. The latest revisions of all standards shall apply to this contract

**99. Certificate of Analysis**

- A. Certificate of Analysis shall be submitted with the Bill of Landing at the time of each delivery.
- B. The Certificate of Analysis shall contain the following:
  - Product Lot Number
  - Percent (%) by weight CH<sub>3</sub>OH
  - Specific Gravity
  - Date of Manufacturing
- C. Failure to supply the required Certificate of Analysis at the time of each delivery may be grounds to reject said delivery.
- D. Contractor shall not charge the City any costs associated with the rejected delivery or deliveries.

**100. Alternates**

No substitutes or alternates products will be considered.

**101. Estimated Annual Usage of Product**

The estimated annual usage of methanol for the Oceanside location from award date to August 31, 2010 is 5,000 gallons.

Estimated Annual Usages must not be construed as the City’s commitment to purchase said amount. The City does not guarantee that the purchases against the contract will match or exceed the estimated product in weight or volume, in any given year for the term of the contract and any extension issued thereafter.

**102. Price**



ATTACHMENT B"  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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- A. Prices will be based on Contractor's fixed mark up or fixed margin (i.e. Contractor's overhead costs, profit, etc) and cost of the methanol. Contractor's fixed margin is to be firm for the term from award date through August 31, 2010, as well as for any and all option year extensions.
- B. Prices for the methanol will be based on the cost of the methanol from Contractor's suppliers at time when each order is placed by the City. Price must be in the same proportion as adjusted by Contractor's suppliers. Contractor shall provide a copy of methanol supplier's invoice and other direct costs to substantiate the cost of methanol for each order placed.
- C. The City shall reject payment of any invoices received without appropriate documentation not provided in a timely manner for the cost of the methanol.
- D. Price shall be a delivered price, FOB Destination.
- E. Price for equipment rental, if any, shall remain firm for the duration of the contract and any extensions issued thereafter.
- F. Only prices that appear on City Contract Proposal Bid Sheets will be considered. No other pages with prices or attached price list, catalog prices, will be considered.
- G. All taxes that are authorized by law and that can be documented may be added to the invoice.

**103. Awarded Items**

- A. If during the term of the contract, a contract item is determined to be unacceptable for a particular use, and such is documented by a City Department and as determined by Purchasing, it is understood and agreed that the item will be canceled and removed from the contract without penalty to the City. The City's sole obligation to the vendor is payment of deliveries made prior to the cancellation date. City shall give the vendor ten days' notice prior to any cancellation. The City will purchase the required replacement item from any source and in the manner as determined by Purchasing.
- B. If a contracted item has been discontinued by the manufacturer or is deemed temporarily unavailable, it will be the responsibility of the Contractor to search the marketplace and find an acceptable equal substitute in the time required for delivery and at the contract price.
- C. Contractor must notify Purchasing by certified mail, 30 days in advance of any changes in the description of article, brand, product code or packaging. Any changes made without the approval of Purchasing will constitute default and result in the City invoking General Condition No. 19.

**104. Ordering**

ATTACHMENT B”  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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- A. Items to be furnished under this contract shall be ordered through a release from the appropriate Citywide Blanket Purchase Order by City departments during the effective period of the contract.
- B. All invoices for payments shall show the Citywide Blanket Purchase Order number, complete description of item, quantity and contract price.
- C. WWE staff will place orders for Methanol delivery by phone. Orders shall be delivered within 24 hours of receipt of a telephone order.

**105. Payment**

- A. The City agrees to pay for all products in accordance with the prices quoted and subject to any applicable discount provisions contained in said contract. Payments shall be made by the City to Contractor in arrears, for **completed orders**, throughout the term of the contract.
- B. Invoices submitted by the Contractor must be in a form acceptable to Purchasing and Controller. All amounts paid by the City to the Contractor shall be subject to the audit by the City.

**106. Insurance**

Prior to award, the successful bidder or bidders will be required to furnish evidence of insurance as follows:

- a. Without in any way limiting Contractor’s liability pursuant to the “Indemnification” section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:
  - (1) Workers’ Compensation, in statutory amounts, with Employers’ Liability Limits not less than \$1,000,000 each accident, injury, or illness; and,
  - (2) Commercial General Liability Insurance with limits not less than \$5,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and
  - (3) Commercial Automobile Liability Insurance with limits not less than \$5,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable. and a MCS 90 endorsement.
  - (4) Pollution Liability Insurance with limits not less than \$5,000,000 each occurrence, and CA 9948, Broaden Pollution Coverage Endorsement.

ATTACHMENT B”  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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- b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:
- (1) Name as Additional Insured the City and County of San Francisco, its Officers, Agents, and Employees.
  - (2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.
- c. All policies shall provide thirty (30) days’ advance written notice to City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:
- Director, Office of Contract Administration  
Purchasing Division  
City and County of San Francisco  
City Hall, Room 430  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4685
- d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.
- e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.
- f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the City receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the City may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.
- g. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

ATTACHMENT B"  
Fuel, Diesel, Biodiesel, Gas and Propane  
For the Term September 1, 2009 Through August 31, 2010

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- h. Approval of the insurance by City shall not relieve or decrease the liability of Contractor hereunder.
- i. If a subcontractor will be used to complete any portion of this agreement, the Contractor shall ensure that the subcontractor shall provide all necessary insurance and shall name the City and County of San Francisco, its officers, agents and employees and the Contractor listed as additional insureds.

**107. Entire Agreement**

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions.

**108. Submittal Instructions**

**Contractor to return all required documents, which include:**

- A. Company letter agreeing to specifications and requirements of this attachment
- B. Prices for fixed mark-up, estimated cost of methanol, and storage equipment (if any)
- C. All questionnaires and forms including completed and signed

FOR MORE INFORMATION, call:

Jeannie Louie, Supervising Purchaser  
(415) 554-3166

City and County of San Francisco  
 Office of Contract Administration  
 Purchasing Department  
 City Hall, Room 430  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102-4685

RECEIVED  
 PURCHASING DEPARTMENT  
 09 NOV -2 PM 2:00



# Contract Modification 1

## Fuel, Diesel and Gas

<b>Western States Oil</b> Attn: Bob Brown P.O. Box 1307 San Jose, CA 95107	Date Buyer Name: Term contract Type: Not-to-exceed amount:	October 9, 2009 Howard Tevelson 70882 Indefinite quantity \$25,000,000
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The history of this contract and its modifications is as follows:

Modification	Start date	End date	Amount	Other changes
Original contract	09/01/09	08/31/10	No Change	
1	No Change	No Change	No Change	Add items 228 & 324

This modification 1 changes the contract as follows:

Per Special Conditions 81 – Additional Items, the following items have been added to the contract. (See Attachment “A”)

**Items: Primary: 228 and 324**

All other terms and conditions remain the same.

**Approved by the City:** Naomi Kelly, Director of OCA and Purchaser 10-16-09  
Date

**Approved by Contractor:** Bob Brown 10-29-09  
Date

Name and title Robert Brown Spec Proj Mgr.

Per Special Conditions 81 – Additional Items, the following have been added to the contract.

Type	Est. annual usage (gallons)	Item	Delivery quantity (gallons)	Mark Up/ Down
<b>Fire Department over marine waters</b>				
Red Dye Diesel	7,000	228	all gallons	+.33
<b>Port over marine waters</b>				
Red Dye Diesel	5,000	324	all gallons	+.33