

# Bulk Propane Contract - Overview

## DESCRIPTION

- Delivery of propane
- Serves specific facilities where the estimated usage is a minimum of 10,000 cubic feet
- Storage tanks may be customer owned or provided by the supplier.
- Delivery made within ten (10) days after receipt of a purchase order, or as designated, by the using agency.
- Minimum delivery is 100 gallons.

## CONTRACT INFO

Legacy Contract Number	9120-02 Supp #2
Suppliers	1
Validity Period	2/15/07 – 6/30/10
DGS Point of Contact	Jack Banks
Contact Phone# Email	Tel: (717) 787-6586 <a href="mailto:jbanks@state.pa.us">jbanks@state.pa.us</a>

## PRICING HIGHLIGHTS

- Pricing is fixed for the initial year of the contract.
- For successive years, a price adjustment will be made on an annual basis starting July 1<sup>st</sup>, 2007. Subsequent adjustments will be made on July 1<sup>st</sup> of each remaining year of the contract.
- The base price for the price adjustment is the “Wet-Tet Mont Belvieu, Texas” propane price published in the Wall Street Journal on 9 January 2007. This base price is .8788. The adjustment, either an increase or decrease to the awarded prices, will be the difference between the base price and the published price on July 1<sup>st</sup>.

## PROCESS TO PURCHASE (COSTARS)

- Not applicable to COSTARS.



All using Agencies of the Commonwealth, Participating Political  
Subdivision, Authorities, Private Colleges and Universities

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**Contract No. 4600011365**  
**Contract Original Approval Date: 02/26/2007**

**Purchasing Agent:**  
**Name:** Jack Banks  
**Phone:** 717-787-6586  
**Fax:** 717 346-3820

Valid from/to: 02/15/2007 - 06/30/2010

**Please Deliver To:**  
 PENNDOT Chester  
 401 Montgomery Avenue  
 WEST CHESTER PA 19380  
 USA

**Your SAP Vendor Number With Us: 131731**

**Supplier Name/Address:**  
 J F ENERGY CORPORATION  
 DBA DIVERSIFIED ENERGY  
 955 W MAIN ST STE 1  
 MOUNT JOY PA 17552-1838  
 Supplier Telephone No: 717-492-1880  
 Supplier Fax No.: 717-492-1815

Your Quotation:                      Date:  
 Collective No.:  
 Our Quotation: 6000128463

**Payment Terms:**  
 NET 30

The Commonwealth of Pennsylvania, through the Department of General Services, accepts the submission of the Bidder/Contractor for the awarded item(s) at the price(s) set forth below in accordance with: 1) the RFQ submitted by the Bidder/Contractor, if any; 2) the documents attached to this Contract or incorporated by reference, if any, and 3) the contract terms and conditions stored on the website address at www.dgs.state.pa.us for this type of Contract as of the date of the RFQ, if any, or other solicitation for this Contract, all of which, as appropriate, are incorporated herein by reference. When the Bidder/Contractor receives an order from a Commonwealth agency, the order constitutes the Bidder/Contractor's authority to furnish the item(s) to the agency at the time(s) and place(s) specified in the order. RFQ, as used herein, means Request for Quotations, Invitation for Bids, Invitation to Qualify, or Request for Proposals, as appropriate.

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
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10	144116 GAS,PROPANE,BULK, WITHOUT TANK	0.00	US Gallon	1.29	1 US Gallon	0.00
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**Item Text**  
 Transportation - Chester County Maintenance Garage  
 No tanks are required. The site currently has one (1) 3,900 gallon tank.

**Delivery Address:**  
 Chester County Maintenance Garage  
 711 Ryan Boulevard  
 Coatesville, PA 19320

**General Requirements for all Items:**

**Header Text**  
 POC: Mr. Bob Troop, (717) 492-1880  
 E-Mail: bob.troop@diversifiedenergy.ncemcs.com

SEE LAST PAGE FOR ESTIMATED  
TOTAL VALUE INFORMATION



**REPRINT** Page 2 of 2  
**Contract No. 4600011365**  
**Contract Original Approval Date: 02/26/2007**

**Supplier Name:**  
J F ENERGY CORPORATION  
DBA DIVERSIFIED ENERGY

Item	Material/Service Desc	Est Qty	UOM	Net Price	Per Unit	Total
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No further information for this contract.

**Estimated Total Value:**  
\$ 61,900.00  
Currency: USD

## SPECIAL CONTRACT TERMS AND CONDITIONS

### SECTION I GENERAL INFORMATION

**CONTRACT SCOPE/OVERVIEW:** This Contract will cover the requirements of Commonwealth agencies for bulk propane gas at the listed facility.

**ORDER OF PRECEDENCE:** These Special Contract Terms and Conditions supplement the Standard Contract Terms and Conditions for Statewide Contracts for Supplies. To the extent that these Special Contract Terms and Conditions conflict with the Standard Contract Terms and Conditions For Statewide Contracts for Supplies, these Special Contract Terms and Conditions shall prevail.

**TERM OF CONTRACT:** The Contract shall commence on the contract award date and expire on June 30, 2010.

**OPTION TO EXTEND:** The Department of General Services reserves the right, upon notice to the Contractor, to extend the Contract or any part of the Contract for up to three (3) months upon the same terms and conditions. This extension will be utilized to prevent a lapse in contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

**OPTION FOR SEPARATE COMPETITIVE BIDDING PROCEDURE:** The Department of General Services reserves the right to purchase supplies covered under this Contract through a separate competitive bidding procedure, whenever the department deems it to be in the best interest of the Commonwealth. The right will generally be exercised only when a specific need for a large quantity of the supply exists or the price offered is significantly lower than the Contract price.

**INQUIRIES:** Direct all questions concerning this bid to the appropriate buyer named herein:

Jack Banks, Buyer, CPPB  
Bureau of Procurement  
555 Walnut Street  
Forum Place, 6<sup>th</sup> Floor  
Harrisburg, PA 17101-1914  
(717) 787-6586  
E-mail: [jbanks@state.pa.us](mailto:jbanks@state.pa.us)

## SPECIAL CONTRACT TERMS AND CONDITIONS

### SECTION II SCOPE OF WORK

**SPECIFICATIONS:** The gas, tanks, cylinders, valves and piping shall conform to the Gas Processors Association (GPA) Standard 2140-97 entitled "Liquefied Petroleum Gas Specifications and Test Methods", the National Fire Protection Association (NFPA) Pamphlet No. 58 entitled "Liquefied Petroleum Gas Code" and the Pennsylvania Department of Labor and Industry Regulation "Liquefied Petroleum Gas" (Pennsylvania Code, Title 34, Part I, Chapter 13, Subchapter A). The latest edition of the aforementioned specifications shall apply.

Where required, a successful bidder must supply and install the storage tanks. This contractor shall supply all required piping, valves, gauges and fittings necessary to service the agencies building.

**DELIVERIES:** All propane gas ordered from this contract shall be delivered within ten (10) days after receipt of a purchase order, or as designated, by the using agency. Transportation terms are "FOB DESTINATION" for all deliveries.

At the option of each facility, a remote reading tank gauge may be installed on each tank. The supplier shall then be responsible for keeping the tanks from running out and should not allow the tanks to contain less than 25% of their capacity.

**MINIMUM DELIVERY:** The minimum delivery is 100 gallons. Contractors and using agencies should cooperate in an effort to minimize costs (i.e., automatic fill, maximization of delivery quantity, etc.).

#### **TANK INSTALLATION:**

If tanks are required by a Commonwealth location:

- A. Supply and install the tanks at no expense to the Commonwealth.
- B. Removal, if necessary, shall be at no expense to the Commonwealth.
- C. Any gas in the tank at the time of removal is the property of the Commonwealth. Thus the removing contractor must reimburse the using agency in the form of a check or credit.
- D. A new contractor can negotiate a deal with the previous contractor concerning tank ownership.

## SPECIAL CONTRACT TERMS AND CONDITIONS

### SECTION III PRICING

**PRICE ADJUSTMENT:** Awarded prices will change based upon this clause only. A price adjustment will be made on an annual basis starting July 1<sup>st</sup> 2007. Subsequent adjustments will be on July 1<sup>st</sup> of each remaining year of the contract.

The base price for this price adjustment clause is the "wet-tet Mont Belvieu, Texas" propane price of .8788 as published on the Wall Street Journal website ([online.wsj.com](http://online.wsj.com)) on 9 January 2007. The propane price appears as "Cash Prices" within the Market Data Center.

The adjustment, either an increase or decrease to the awarded prices, will be the difference between the base price and the published price on July 1<sup>st</sup>. If July 1<sup>st</sup> falls on a weekend or the price information is not published on this particular date then the most recently published price prior to July 1<sup>st</sup> will be used. The price adjustment is issued via a change notice to the contract and applies to all awarded items.

Contract Reference Number: 9120-02  
Collective Numbers: CN00024514  
Change Number: 6  
Change Effective Date : 07/1/2007

**COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF GENERAL SERVICES  
HARRISBURG, PA**

**For:** All Using Agencies of the Commonwealth  
**Subject:** Propane, Bulk Gas  
**Contract Period:** Effective date is 7/1/2005 and an Expiration date of 6/30/2010  
**Buyer Name:** Jack Banks/717-787-6586

**CHANGE SUMMARY:** Price Adjustment

The basis for the Price Adjustment Clause is hereby changed to the "Non-Tet Mont Belvieu, Texas" propane price as reported in the Wall Street Journal under "Refined Products". The previous basis, "Wet-Tet Mont Belvieu, Texas" propane price, is no longer published in the Wall Street Journal.

In accordance with the "Price Adjustment" Clause, the originally awarded propane prices shall be increased by .2687 cents. The price adjustment is based on the difference between the "Wet-Tet Mont Belvieu, Texas" propane price as reported in the Wall Street Journal on 9 January 2007, which represents the established base price for this contract adjustment, and the "Non-Tet Mont Belvieu, Texas" propane price published in the Wall Street Journal on 29 June 2007. The established base price for this contract is .8788 while the published propane price for 29 June 2007 was 1.1475.

Affected Outline Agreement Numbers  
4600011365

Contractor  
J F Energy Corporation dba Diversified Energy

ALL OTHER TERMS AND CONDITIONS OF THIS AGREEMENT NOT CHANGED BY THIS CHANGE NOTICE REMAIN AS ORGINALLY WRITTEN.