DEPARTMENT OF GENERAL SERVICES

COMMONWEALTH OF VIRGINIA

DIVISION OF PURCHASES & SUPPLY (DPS)
1111 East Broad Street, Richmond, Virginia 23219

RENEWAL #2
TO
CONTRACT NUMBER E194-73737
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
QUARLES PETROLEUM INC

This RENEWAL #2 is an Agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth," and Quarles Petroleum, Inc., hereinafter referred to as the "Contractor" or "Quarles", relating to the renewal of Contract E194-73737 effective November 6, 2015, as amended, hereinafter referred to as the "Contract" or "Agreement."

The purpose of this modification is to document both parties' agreement to renew the contract.

Reference: Contract E194-73737, "Renewal of Contract."

Both parties hereby agree to renew the above-referenced Contract for an additional one (1) year period, beginning January 6, 2020 through January 5, 2021.

The foregoing is the complete and final expression of the parties' agreement to modify Contract E194-73737 and cannot be modified, except by a writing signed by the duly authorized representatives of both parties. All other terms and conditions remain unchanged. This renewal is hereby incorporated into and made an integral part of the Agreement.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

QUARLES PETROLEUM INC		**COMMONWEALTH OF VIRGINIA**	
BY:		BY:	
NAME:	Steve Fowler Printed Name	NAME:	Ryan Thompson, VCO Printed Name
TITLE:	VP of Sales + marketing	TITLE:	Statewide Sourcing & Contracting Officer
DATE:	12/4/2019	DATE:	12·4·19

RENEWAL #1
TO
CONTRACT NUMBER E194-73737
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
QUARLES PETROLEUM INC

This RENEWAL #1 is an Agreement between the Commonwealth of Virginia, hereinafter referred to as "State" or "Commonwealth," and Quarles Petroleum, Inc., hereinafter referred to as the "Contractor" or "Quarles", relating to the renewal of Contract E194-73737 effective December 28, 2018, as amended, hereinafter referred to as the "Contract" or "Agreement."

This contract is hereby renewed with the current term of January 6, 2019 through January 5, 2020.

The foregoing is the complete and final expression of the parties' agreement to modify Contract E194-73737 and cannot be modified, except by a writing signed by the duly authorized representatives of both parties. All other terms and conditions remain unchanged. This renewal is hereby incorporated into and made an integral part of the Agreement.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

QUARLES PETROLEUM INC.		COMMONWEALTH OF VIRGINIA	
BY:		BY:	
NAME:	Steve Fowler Printed Name	NAME:	Matthew Fritzinger, VCO Printed Name
TITLE:	VP of Sales & Marketing	TITLE:	Statewide Contract Officer
DATE:	12/28/2018	DATE:	12/28/18

CONTRACT E194-73737-MA2111
BETWEEN
THE COMMONWEALTH OF VIRGINIA
AND
QUARLES PETROLEUM, INC.

1. SCOPE OF CONTRACT

This is a Master Contract ("Master Contract" or "Contract" or "Agreement") between the Commonwealth of Virginia, Division of Purchases and Supply, ("Commonwealth" or "DGS" or "DPS") and Quarles Petroleum, Inc. (the "Contractor" or "Quarles"), a corporation having its principal place of business at 1701 Fall Hill Avenue, Fredericksburg, VA 22401 for the provision of bulk motor fuel goods and Services ("Product" or "Products" or "Fuel" or "Services") to all Commonwealth state agencies, educational institutions, or any other public body, as defined in § 2.2-4301 entitled "Definitions" and § 2.2-4304 of the Virginia Public Procurement Act (VPPA), as amended, hereinafter referred to as "Authorized Users", pursuant to the Commonwealth's Request For Proposal #E194-163, dated April 24, 2015 (the "RFP") and the Contractor's proposal, dated June 15, 2015 in response thereto.

Contractor shall provide all Products and Services in accordance with the provisions of this Agreement upon receipt of a duly authorized order, as defined herein, from any Authorized User.

The Agreement is also available for use by certain charitable corporations and private nonprofit 501(c)(3) institutions of higher education, chartered in Virginia, and as allowable pursuant to Virginia Code 2.2-1120. The aforementioned entities are collectively included hereinafter as Authorized Users for purposes of using this Master Contract.

To ensure maximum transparency and public access to the Commonwealth's procurement opportunities, and consistent with Code § 2.2-1110, Authorized Users are to submit orders directly with Contractor through the Commonwealth's central electronic procurement website, "eVA," or as otherwise delineated with the ordering instructions contained herein.

2. INTERPRETATION OF CONTRACT

As used in this Contract, "Product" and "deliverables" shall include all related Services, materials, and documentation developed and provided in the performance of Contract, whether in machine-readable or printed form, and produced or provided pursuant to this Contract, or any order resulting from this Contract.

Headings are for reference purposes only and shall not be considered in construing this Contract.

The documents comprising this Contract, and their order of precedence in case of conflict, are: (1) this Contract, consisting of terms and conditions included herein, including all Attachments hereto; (2) all executed orders and Attachments referencing the Contract (3) the RFP #E194-163; and (4) the Contractor's proposal submitted in response to the RFP.

The foregoing documents represent the complete and final Contract of the parties with respect to the subject matter of this Contract.

If any term or condition of this Contract is found to be illegal or unenforceable, it shall be severed, and the validity of the remaining terms and conditions shall not be affected.

Nothing in this Contract shall be construed as an express or implied waiver of the Commonwealth's sovereign or Eleventh Amendment immunity, or as a pledge of its full faith and credit.

3. TERM

The initial term of this Contract shall be effective from November 20, 2015 through January 5, 2019 (Initial Term). All orders and related documents shall survive the period of performance stated in this section until such time as all orders (executed prior to the expiration date of the Contract) have been completely performed.

4. RENEWAL OF CONTRACT

The Initial Term of this Contract may be renewed for up to seven (7) additional one (1) year successive Renewal Term periods under the terms and conditions of the Contract and upon mutual written agreement between the parties. Written notice of the Commonwealth's intention to renew the Contract will be given approximately ninety (90) days prior to the expiration date of each Contract Term period.

5. PRICE ESCALATION-DE-ESCALATION

Price adjustments may be permitted for changes in the Contractor's cost of providing Products and Services under this Contract. The "Services", "All Items", and other relevant categories of the CPI-U, U.S. City Average section of the Consumer Price Index of the U.S. Bureau of Labor Statistics, will be used as guides to evaluate requested price changes, as will other indices including Producer Price Index and U.S. Department of Energy fuel statistics. No price increases will be authorized for three (3) years after the effective date of the Contract with the exception that the prices for those items included in Table 8, Listing of Available Parts, may be adjusted at the times described in the Pricing Schedule. Price escalation for the Contractor's cost of Fuel used for transportation in providing Products and Services under this contract may be permitted at the end of the initial three (3) years of the contract and each six (6) months (approximately 180 calendar days) thereafter and only where verified to the satisfaction of the purchasing office and as agreed to in a contract modification executed in writing and signed by both parties. However, "across the board" price decreases are subject to implementation at any time and shall be immediately conveyed to the Commonwealth. Contractor shall give not less than thirty (30) days advance notice of any price increase request, with documentation, to the DGS Contracting Officer.

The DGS Office of Fleet Management Services (OFMS) will notify the Authorized Users utilizing this Contract and Contractor in writing of the effective date of any approved increase. However, the Contractor shall fill all purchase orders received prior to the effective date of the price adjustment at the previous Contract prices. The Contractor is further

advised that decreases that affect the cost of Products or Services are required to be communicated in writing (email) immediately to the OFMS and the DGS Contracting Officer.

If the Commonwealth elects to exercise the option to renew the Contract for additional one-year Renewal Term periods, the same price adjustments as stated above will apply.

6. ADDITION/DELETION OF SERVICES

The Commonwealth recognizes that Products and Product line additions to the Contractor's standard commercial catalog offerings during the life of the Contract are likely to occur. The Commonwealth considers these additions as enhancements. Additions will be considered as follows:

A. The Contractor must permit the Commonwealth to modify the list of required motor fuel Products at any time to allow for progressive growth, knowledge, and advancements as well as any changes to federal, state, or local laws and codes.

   The Contractor shall notify OFMS of new Products(s) and Product line(s) as they become available.

   A contract modification must be agreed to in writing by both parties in order to add any new Products(s) or Product line(s) to the Motor Fuel Products List. The contract modification must be fully executed prior to any order being placed for the new Products(s) or Product lines(s).

   The Commonwealth will consider motor fuel Products list additions as follows:

   1. Like Products

      New Products will be categorized with similar Products or Product lines offered through any existing motor fuel Product list or pricing schedule previously defined and agreed to by the Contractor and the Commonwealth. The previously agreed upon pricing schedule for the similar items or Product lines will be applied to the proposed new Products.

      The Contractor may submit, for the Commonwealth's consideration, documentation and proof of claim for pricing modification due to subtle differences in specifications for the addition of like Products. Pursuant to the Commonwealth's review and approval, these Products may be added by using the process for adding unlike Products, as described below.

   2. Unlike Products

      In the event the Contractor adds new Products(s) or Product line(s) which represent Products that are consistent with the type and class of Products covered under this Contract, but differ sufficiently from Product(s) or Product line(s) represented in the existing motor fuel products list and/or pricing schedule, then the Commonwealth and the Contractor may enter into negotiations to modify this Contract by establishing a pricing schedule for the new Product(s) or Product line(s). The Contractor must provide appropriate documentation to support its position for

separate pricing.

B. Other Products and Services, as described in the Contractor's proposal in response to RFP# E194-163, and any negotiated changes thereto, which are not included in **Attachment A**, entitled "Products, Services, and Pricing Schedule," may be added to the Contract pursuant to written agreement, negotiated and signed by both parties, to modify the Contract. The contract modification must be fully executed prior to any order being placed for the other Products and Services.

7. VENDORS MANUAL

This Contract is subject to the provisions of the Commonwealth of Virginia Vendors Manual and any changes or revisions thereto, which are hereby incorporated into this Contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the Vendors Manual. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.eva.virginia.gov under "Vendors Manual" on the vendors tab.

8. APPLICABLE LAWS AND COURTS

This Contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the Contractor are encouraged to resolve any issues in controversy arising from the award of the Contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual.* The Contractor shall comply with all applicable federal, state and local laws, rules and regulations.

9. ANTI-DISCRIMINATION

The Contractor certifies to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act* (*VPPA*). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the Contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every Contract over $10,000 the provisions in A. and B. below apply:

A. During the performance of this Contract, the Contractor agrees as follows:

1. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment,

except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

2. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.

3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.

B. The Contractor will include the provisions of 1. above in every subcontract or purchase order over $10,000, so that the provisions will be binding upon each Subcontractor or vendor.

10. ETHICS IN PUBLIC CONTRACTING

The Contractor certifies that the Contract has been entered into without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

11. IMMIGRATION REFORM AND CONTROL ACT OF 1986

By entering into a written Contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the Contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the Federal Immigration Reform and Control Act of 1986.

12. DEBARMENT STATUS

The Contractor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting proposals or entering into contracts for the type of goods and/or services covered by the original solicitation, nor are they an agent of any person or entity that is currently so debarred.

13. ANTITRUST

By entering into a Contract, the Contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said Contract.

14. PAYMENT

A. To Prime Contractor:

1. Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/Contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual Contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).

2. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.

3. All Products or Services provided under this Contract or purchase order, that are to be paid for with public funds, shall be billed by the Contractor at the Contract price, regardless of which Authorized is being billed.

4. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the *Virginia Debt Collection Act.*

5. **Unreasonable Charges**. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, Contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the Contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A Contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an Authorized User of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

B. To Subcontractors:

1. Contractor is hereby obligated:

   a. To pay the Subcontractor(s) within seven (7) days of the Contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the Subcontractor(s) under the Contract; or

   b. To notify the agency and the Subcontractor(s), in writing, of the Contractor's intention to withhold payment and the reason.

2. The Contractor is obligated to pay the Subcontractor(s) interest at the rate of one (1) percent per month (unless otherwise provided under the terms of the Contract) on all amounts owed by the Contractor that remain unpaid seven (7) days following receipt

of payment from the Commonwealth, except for amounts withheld as stated in B.1.b above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier Contractor performing under the primary Contract. A Contractor's obligation to pay an interest charge to a Subcontractor may not be construed to be an obligation of the Commonwealth.

3. Each prime Contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from Subcontractor default) with the SWAM procurement plan. Final payment under the Contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

4. The Commonwealth of Virginia encourages Contractors and Subcontractors to accept electronic and credit card payments.

15. QUALIFICATIONS OF CONTRACTOR

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the Contractor to perform the services/furnish the goods. The Commonwealth reserves the right to inspect, without advance notice, Contractor's physical facilities during normal business hours during the initial term and any subsequent renewal periods, to satisfy questions regarding the Contractor's capabilities.

16. TESTING AND INSPECTION

The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure Products and Services conform to the specifications.

17. ASSIGNMENT OF CONTRACT

A Contract shall not be assignable by the Contractor in whole or in part without the written consent of the Commonwealth.

18. CHANGES TO THE CONTRACT

Changes can be made to the Contract in any of the following ways:

A. The parties may agree in writing to modify the scope of the Contract. An increase or decrease in the price of the Contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the Contract.

B. The Commonwealth may order changes within the general scope of the Contract at any time by written notice to the Contractor. Changes within the scope of the Contract include, but are not limited to, things such as Services to be performed, the method of packing or shipment, and the place of delivery or installation. The Contractor shall comply with the notice upon receipt, unless the Contractor intends to claim an adjustment to compensation, schedule, or other contractual impact that would be caused

by complying with such notice, in which case the Contractor shall, in writing, promptly notify the OFMS of the adjustment to be sought, and before proceeding to comply with the notice, shall await the Commonwealth's written decision affirming, modifying, or revoking the prior written notice. If the Commonwealth decides to issue a notice that requires an adjustment to compensation, the Contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Commonwealth a credit for any savings. Said compensation shall be determined by one (1) of the following methods:

1. By mutual agreement between the parties in writing; or

2. By agreeing upon a unit price or using a unit price set forth in the Contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to the Commonwealth's right to audit the Contractor's records and/or to determine the correct number of units independently; or

3. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized, a markup for overhead and profit may be allowed if provided by the Contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present the Commonwealth with all vouchers and records of expenses incurred and savings realized. The Commonwealth shall have the right to audit the records of the Contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Commonwealth within thirty (30) days from the date of receipt of the written order from the Commonwealth. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the Contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this Contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this Contract shall excuse the Contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the Contract generally.

19. DEFAULT

In case of failure to deliver Products or Services in accordance with the Contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

20. TAXES

Sales to the Commonwealth of Virginia are normally exempt from State sales tax. State sales and use tax certificates of exemption, Form ST-12, will be issued upon request. Deliveries against this Contract shall usually be free of Federal excise and transportation taxes. The Commonwealth's excise tax exemption registration number is 54-73-0076K.

21. INSURANCE

The Contractor certifies that has the following insurance coverages. For construction services, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The Contractor further certifies that the contractor and any subcontractors will maintain these insurance coverages during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

A. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the *Code of Virginia* during the course of the contract shall be in noncompliance with the contract.

B. Employer's Liability - $100,000.

C. Commercial General Liability - $1,000,000 per occurrence and $2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.

D. Automobile Liability - $1,000,000 combined single limit. (Required only if a motor vehicle not owned by the Commonwealth is to be used in the contract.) Contractor must assure that the required coverage is maintained by the Contractor (or third party owner of such motor vehicle.)

22. DRUG-FREE WORKPLACE

During the performance of this Contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over $10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

23. NONDISCRIMINATION OF CONTRACTORS

A Contractor shall not be discriminated against in the solicitation or award of this Contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the Contractor employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific Contract is not in its best interest. If the award of this Contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this Contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

24. AVAILABILITY OF FUNDS

It is understood and agreed between the parties herein that the Authorized User shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this contract.

25. AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH

A Contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the *Code of Virginia* or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the *Virginia Public Procurement Act* shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the Contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

26. FINANCIAL WARRANTY

Contractor shall ensure that the prices, discounts, incentives, and other financial terms (collectively, the "financial deal") applicable to purchases under this Contract is always at least as favorable to the purchaser as the financial deal that the Contractor or its affiliates make available during the term of this Contract to any public body in Virginia for the same Products(s)/Service(s) outside this Contract. For these purposes, the suite of Product(s)/Service(s) being offered by the Contractor to any particular public body in Virginia should be considered when determining if the Product(s)/Service(s) are the same as offered herein. This may include but not be limited to, for example, that the per gallon price of bulk motor fuel may be impacted by a public body's opting to put other services in to place above and beyond the ongoing delivery of bulk motor fuel. Throughout the term of this Contract, if Contractor (or any affiliate) makes a better financial deal available to a public body in Virginia for any Products(s)/Service(s) available under this Contract, Contractor shall immediately notify the Commonwealth of the details and, at the Commonwealth's option,

sign an amendment to this Contract, so that an equivalent financial deal for the affected Products(s)/Service(s) is also available as an option under this Contract. Contractor may request exemption if the better financial deal was for a spot purchase, and the Commonwealth shall grant such request if the Commonwealth in good faith finds that the spot purchase involved special circumstances affecting cost that would make it unfair to apply an equivalent financial deal outside of that spot purchase. Upon the Commonwealth's request (and annually), Contractor shall submit an affidavit certifying full compliance with this Section. The Contractor (and any affiliate) shall waive any contractual or other right that inhibits any public body in Virginia from disclosing to the Commonwealth or others the financial terms made available to the public body and upon request from the Commonwealth, Contractor shall ensure that a signed confirmation of the waiver is provided to the public body and the Commonwealth. As used in this Section, an affiliate is any entity that controls, is controlled by, or is under common control with, the Contractor.

27. AUDIT

The Contractor shall retain all books, records, and other documents of a non-fiscal nature relative to this Contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or state auditors shall have full access to and the right to examine any of said materials during said period.

28. USE OF CONTRACT BY THIRD PARTIES

In accordance with the Code of Virginia § 2.2-4304, entitled "Cooperative Procurement," the intent of this Contract is to allow for such cooperative procurement to the maximum extent possible. Accordingly, any public body, as defined in the Code of Virginia §2.2-4301, and certain charitable corporations and private nonprofit institutions of higher education chartered in Virginia, as directed pursuant to Code of Virginia §2.2-1120 et seq may access and use this Contract, if agreeable to Contractor and in accordance with the ordering provisions governing this Contract, together with all other Contract terms and conditions herein.

Participation in this cooperative procurement by Virginia executive branch state agencies is mandatory for bulk motor fuel purchases, unless otherwise directed by the Department of General Services (DGS), Division of Purchases and Supply (DPS). The Contract is optional-use for all other Authorized Users and all other Products/Services described herein, unless it is deemed to be a mandatory source by their respective controlling legal authority, in coordination with DPS.

Authorized Users will be added to this Contract by written notice to the Contractor by the Office of Fleet Management Services (OFMS). Upon receiving the written notice, the Contractor shall establish an account for that Authorized User and shall provide OFMS with the setup information for the new user. OFMS will then transmit the information to the Authorized User.

This is a master contract and no modification of the Contract is required for an Authorized User to participate. The Contractor shall notify OFMS in writing of the addition of any Authorized User.

The Commonwealth, DPS, and/or OFMS shall not be held liable for any costs or damages by any other participating Authorized User as a result of any authorization by the Contractor to use the Contract.

Contractor hereby certifies and warrants that the Commonwealth, DPS, and/or OFMS are not responsible for any acts or omissions of any Authorized User, and shall not be considered in default of this Contract, no matter the circumstances.

29. AUTHORIZED REPRESENTATIVES

This Contract may be modified in accordance with §2.2-4309 of the Code of Virginia. Such modifications may only be made by the representatives authorized to do so denoted below, or their duly authorized designees. No modifications to this contract shall be effective unless in writing and signed by the duly authorized representative of both parties, delineated below. No term or provision hereof shall be deemed waived and no breach excused unless such waiver or consent to breach is in writing.

Authorized Representatives:

COMMONWEALTH OF VIRGINIA
Adam Phillips, Contract Officer
1111 East Broad Street
Richmond, VA 23218
Tel.: 804-786-0078
Fax: 804-786-5413
Email: adam.phillips@dgs.virginia.gov

QUARLES PETROLEM, INC.
Paul Giambra, President and CEO
1701 Fall Hill Avenue, Suite 200
Fredericksburg, VA 22401
Tel.: 540-368-0132
Email: pgiambra@quarlesinc.com

UNDER NO CIRCUMSTANCES SHALL ANY AUTHORIZED USER OR OTHER ENTITY HAVE THE AUTHORITY TO MODIFY THIS CONTRACT WITHOUT WRITTEN CONSENT OF THE AUTHORIZED REPRESENTATIVES.

30. LABELING OF HAZARDOUS SUBSTANCES

If any Products provided by the Contractor are "Hazardous Substances" as defined by § 1261 of Title 15 of the United States Code (U.S.C.) or "Pesticides" as defined in § 136 of Title 7 of the United States Code, then the Contractor certifies and warrants that the items or Products to be delivered under this Contract shall be properly labeled as required by the foregoing sections and that by delivering the items or Products the Contractor does not violate any of the prohibitions of Title 15 U.S.C. § 1263 or Title 7 U.S.C. § 136.

31. MATERIAL SAFETY DATA SHEETS

The Contractor shall provide to any Authorized User, upon their request, Material Safety Data Sheets and other descriptive literature for each chemical and/or compound available under this Contract.

32. EXTRA CHARGES NOT ALLOWED

The prices provide in **Attachment A**, entitled "Products, Services, and Pricing Schedule," shall be for the complete delivery of the Products and Services described herein, and shall include all applicable freight; extra charges will not be allowed.

33. QUANTITIES

The Contractor shall supply at bid prices the actual quantities as ordered, regardless of whether such total quantities are more or less than those estimates shown in the RFP.

34. SITE DAMAGES

Any damage caused by the Contractor and/or their sub-contractors to existing utilities, equipment, buildings or other property resulting from the performance of this Contract shall be repaired to the Authorized User's satisfaction at the Contractor's expense.

35. PRODUCT AVAILABILITY / SUBSTITUTION

During times of normal business operations an Authorized User may, at its discretion, require the Contractor to provide a substitute item of equivalent or better quality subject to their written approval, for a price no greater than the Contract price, if the Product for which a Contract Order was issued becomes unavailable to the Contractor.

36. CONTRACTOR/SUBCONTRACTOR LICENSE REQUIREMENT

By their signature on this Contract, Contractor certifies and warrants that their firm, and any individual employees and/or subcontractor(s) is/are properly certified and/or licensed by the appropriate federal, state, or other regulatory authorities to provide all Products/Services specified or fulfill the requirements delineated herein.

37. PRIME CONTRACTOR RESPONSIBILITIES

The Contractor shall have prime responsibility for completely and solely supervising and directing all work performed, Products provided and/or Services provided under this Contract, and for all subcontractors the Contractor may utilize. Subcontractors that perform work under this Contract shall be responsible to the prime Contractor. Contractor agrees that it shall be fully and solely responsible for the acts and omissions of its subcontractors and of any persons employed by them as he is for the acts and omissions of his own employees.

38. SECTION 508 COMPLIANCE

All information technology which, pursuant to this Contract, is purchased or upgraded or for the use of any Commonwealth agency or institution or political subdivision of the Commonwealth (the "Technology") shall comply with Section 508 of the Rehabilitation Act (29 U.S.C. 794d), as amended. If requested, the Contractor must provide a detailed explanation of how compliance with Section 508 of the Rehabilitation Act is achieved and a validation of concept demonstration. The requirements of this Paragraph along with the Non-Visual Access to Technology Clause shall be construed to achieve full compliance with the Information Technology Access Act, §§2.2-3500 through 2.2-3504 of the Code of

Virginia.

39. NONVISUAL ACCESS TO TECHNOLOGY

All information technology which, pursuant to this agreement, is purchased or upgraded by or for the use of any State agency or institution or political subdivision of the Commonwealth (the "Technology") shall comply with the following nonvisual access standards from the date of purchase or upgrade until the expiration of this agreement:

A. Effective, interactive control and use of the Technology shall be readily achievable by nonvisual means;

B. The Technology equipped for nonvisual access shall be compatible with information technology used by other individuals with whom any blind or visually impaired user of the technology interacts;

C. Nonvisual Access Technology shall be integrated into any networks used to share communications among employees, program participants or the public; and

D. The Technology for nonvisual access shall have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

Compliance with the foregoing nonvisual access standards shall not be required if the head of the using agency, institution or political subdivision determines that (i) the Technology is not available with nonvisual access because the essential elements of the Technology are visual and (ii) nonvisual equivalence is not available.

Installation of hardware, software or peripheral devices used for nonvisual access is not required when the Technology is being used exclusively by individuals who are not blind or visually impaired, but applications programs and underlying operating systems (including the format of the data) used for the manipulation and presentation of information shall permit the installation and effective use of nonvisual access software and peripheral devices.

If requested, the Contractor must provide a detailed explanation of how compliance with the foregoing nonvisual access standards is achieved and a validation of concept demonstration.

The requirements of this Paragraph shall be construed to achieve full compliance with the Information Technology Access Act, §§ 2.2-3500 through 2.2-3504 of the *Code of Virginia*.

40. STANDARD SYSTEMS TECHNOLOGY RESPONSIBILITIES

Unless otherwise indicated in the RFP, the Contractor shall acquire and maintain, at no charge to the Commonwealth, the hardware and software required to host the Systems Technology. The hardware and software on which the Systems Technology is hosted will be maintained in good operating condition, consistent with or exceeding generally accepted industry practices and procedures. In addition:

A. Contractor shall maintain sufficient hardware capacity to satisfy the technical requirements and the bandwidth and required storage capacity required to provide the Services in the RFP.

B. Contractor shall be responsible for all telecommunication connections from the server hosting the Systems Technology to the Internet.

C. Contractor may collect user-specific data only as necessary to provide the Services described in the RFP. No information regarding any Authorized User or any Systems Technology User shall be disclosed, provided, rented or sold to any third party for any reason unless required by law or regulation or by an order of a court of competent jurisdiction. This obligation shall extend beyond the term of the Contract.

D. The Systems Technology will be made available to OFMS and/or designated Systems Technology Users, as specified in the RFP, at least ninety-nine percent (99%) of the total time during each month ("Uptime") less Excusable Downtime. For the purposes of the Contract, "Excusable Downtime" is defined as that period of time when the Services are not available to OFMS or the Systems Technology Users due to scheduled network, hardware or Service maintenance and/or upgrades. Except in cases of emergency, OFMS shall be provided a two (2) business day advance notification of such maintenance and/or upgrade. In cases of emergency, Contractor will use its best efforts to notify OFMS of a planned Downtime as soon as practicable. Maintenance or upgrades are not to exceed thirty-six (36) hours in duration in a single month and cannot occur Monday through Friday, between the hours of 6:00 a.m. and 8:00 p.m. Eastern Time.

E. Excusable Downtime shall not include (i) an electronic hardware failure, (ii) a failure in the Contractor's Systems Technology, (iii) an electric utility failure at Contractor's facility where the Systems Technology is hosted, or (iv) a network failure up to, but not including, the interconnection point of Contractor's network to the public switched telephone network.

F. Contractor guarantees the Systems Technology will be available for use at least ninety-nine percent (99%) of the total time during each month, excluding Excusable Downtime.

G. Contractor shall notify OFMS in writing at least sixty (60) days prior to any planned change(s) or Update(s) to the Systems Technology User Interface that impacts its functionality, features or setting as well as change(s) or Update(s) to the Systems Technology that may impact data transfer with Authorized Users. The planned changes or Updates include any change(s) that would potentially impact the secure and efficient use of the Systems Technology, as understood and agreed to between Contractor and DPS at Contract award. The purpose of this notice is to allow sufficient time for Contractor and OFMS to discuss any technical/functional considerations and/or changes that would require action by the Commonwealth.

H. Contractor is responsible for documenting and maintaining any customizations made for operational use of the Systems Technology and/or for interoperability use with other systems or applications used by OFMS and paid for solely by OFMS. The associated technical data, code, documentation and other necessary information about such customizations shall be provided by Contractor to OFMS within ten (10) business days

of the customizations' operational use. Contractor shall be required to routinely transfer knowledge regarding the Systems Technology and Services, including Updates and all material changes, to OFMS in a reasonable manner to ensure proper and efficient use of Systems Technology and Services without degrading performance thereof.

In addition, and at no additional cost to the Commonwealth, Contractor shall provide access to additional updates, features, and functionalities of the Systems Technology as are provided by Contractor to other customers of Contractor who require functionality similar to that of the Systems Technology provided to the Commonwealth. All such additional features and functionality, where reasonably necessary, shall be accompanied by updated Documentation, whether in hard copy format or distributed electronically via email or the Contractor website. Notwithstanding the provisions of this Section and except as agreed to in writing by DPS and Contractor, nothing in the Contract shall oblige Contractor to undertake any modifications to the Systems Technology, and all such modifications are at Contractor's sole discretion whether suggested by OFMS or another party.

41. GENERAL WARRANTY

Contractor certifies and warrants that the Systems Technology is in productive use in the proposed configuration.

Contractor certifies and warrants the Services and the Systems Technology described in the RPF and Contractor's proposal submitted in response thereto as follows:

Ownership
Contractor has the right to provide the Services, including access by OFMS and the System Technology Users, without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

Licensed Services, Systems Technology, and Documentation
Contractor warrants the following with respect to the Services and the Application:

A. The Systems Technology is pursuant to a particular ("RFP"), and therefore such Systems Technology shall be fit for the particular purposes specified in the RFP and in the Contract. Contractor is possessed of superior knowledge with respect to the Systems Technology and is aware that DPS is relying on Contractor's skill and judgment in providing the Services, including the Application;

B. Contractor shall represent and warrant (i) that it shall perform the Services in conformity to the specifications set forth in the RFP and the Contractor's proposal submitted in response thereto in a professional and workmanlike manner and (ii) that the Services will not infringe any third party proprietary rights including (without limitation) any trademark, trade name, trade secret, copyright, moral rights, patents or similar intellectual property rights.

C. Contractor shall warrant that the Systems Technology and Services will conform in all material respects to the requirements set forth in the RFP and the description of the Systems Technology provided in the Contractor's proposal submitted in response thereto.

D. The Systems Technology provided hereunder will be at the current release level unless DPS specifies an older version;

E. No corrections, work around or future Systems Technology releases provided by Contractor shall degrade the Systems Technology, cause any other warranty to be breached, or require OFMS and the Systems Technology Users to acquire additional hardware equipment or software;

F. Contractor shall warrant that all post-Acceptance Updates, changes, alterations or modifications to the Systems Technology by Contractor will be compatible with, and will not materially diminish the features or functionality of the Systems Technology, Services and/or Contractor Product when used on the equipment in accordance with the terms and conditions hereof.

Malicious Code
Contractor shall use its best efforts through quality assurance procedures to ensure that there will be no Computer Viruses or undocumented features in the Systems Technology accessed by OFMS or the Systems Technology Users; and the Systems Technology will not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent any use of or access to the Systems Technology. Contractor agrees that OFMS and the Systems Technology Users may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including injunctive or other equitable relief.

Privacy and Security
Contractor shall warrant that Contractor and its employees, subcontractors, partners and third party providers will take all necessary and reasonable measures to ensure that the Systems Technology, Services and any related deliverables do not include any degradation, known security vulnerabilities, or breach of privacy or security. Contractor agrees to notify OFMS of any occurrence of such as soon as possible after discovery and provide OFMS with fixes or upgrades for security vulnerabilities within 30 days of discovery.

Operating System and Software Supportability
Contractor shall warrant that Contractor and its employees, subcontractors, partners and third party providers will take all necessary and reasonable measures to ensure that the Systems Technology, Services, and any deliverables do not have dependencies on other operating systems or software that are no longer supported by Contractor, or its subcontractors, partners and third-party providers.

Access to Product and Passwords
Contractor warrants that the Systems Technology will not contain disabling code or any program device or other undisclosed feature, including but not limited to, viruses, worms, trojan horses, or other code which is designed to permit unauthorized access, delete, disable, deactivate, interfere with or otherwise harm the Systems Technology or the hardware or software of OFMS or the Systems Technology Users. In addition, Contractor warrants that OFMS and the Systems Technology Users will be provided commercially reasonable uninterrupted access to the Systems Technology. Contractor shall also warrant that it will not cancel or otherwise terminate access to the Systems Technology by disabling passwords, keys or tokens that enable continuous use of the Systems Technology by OFMS

and the Systems Technology Users during the term of the Contract. Contractor further shall warrant that the Application will be compatible with and will operate successfully on the equipment.

Open Source
Contractor will notify OFMS if the Systems Technology contains any Open Source code and identify the specific Open Source License that applies to any embedded code dependent on Open Source code, provided by Contractor under the Contract.

Contractor's Viability
Contractor shall warrant that it has the financial capacity to perform and continue to perform its obligations under the Contract; that Contractor has no constructive or actual knowledge of a potential legal proceeding being brought against Contractor that could materially adversely affect performance of the Contract and that entering into the Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

THE OBLIGATIONS OF CONTRACTOR UNDER THIS GENERAL WARRANTY SECTION ARE MATERIAL. CONTRACTOR MAKES NO OTHER WARRANTIES ABOUT THE SYSTEMS TECHNOLOGY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY CONCERNING MERCHANTABILITY OR FITNESS FOR ANY OTHER PARTICULAR PURPOSE.

42. LICENSED SERVICES

During the term of the Contract, Contractor shall agree to host the Systems Technology listed and described in the RFP and the Contractor's proposal submitted in response thereto on servers owned, operated, housed, and maintained by Contractor and shall make such Systems Technology available to Systems Technology Users through the Internet.

Contractor has acquired any and all license rights in the Systems Technology necessary and appropriate for Contractor to provide the Licensed Services. Contractor shall grant the Commonwealth and its Systems Technology Users a non-exclusive, transferable, worldwide license to access and use by any method the Systems Technology during the term of the Contract.

The license shall be held by the Commonwealth of Virginia.

Notwithstanding any other provision or other unilateral license terms which may be issued by Contractor after the Effective Date of the Contract, including access to the Systems Technology, or the fact that such other agreement may be presented at the time of accessing the Systems Technology ("click wrap"), the terms and conditions set forth herein shall supersede and govern licensing and use of all Products and Services hereunder.

43. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS

The eVA internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public

bodies.

This Contract will result in multiple purchase orders and the Contractor shall pay the Vendor Transaction Fee specified below.

The Vendor Transaction Fee is 0.50% of the Contractor's invoiced sales, which shall be paid quarterly. Each quarterly payment shall be submitted to the Commonwealth within 15 days after the end of the quarter and shall be substantiated by an itemized report of the invoiced sales used to calculate the payment for that quarter. The first quarterly payment and report may be submitted at the end of the first calendar quarter of 2016 and shall be inclusive of all invoiced sales under this contract up to that point in time. The report shall be provided in an Excel format and shall include the following itemized data:

1. Purchase Order Number
2. Purchasing Agency/Entity
3. Contractor's Invoice Number
4. Contractor's Invoice Date
5. Contractor's Invoice Amount
6. Unit Price
7. Fuel type
8. Number of gallons
9. Description of other Goods and/or Services provided

The check shall be made payable to the Treasurer, Commonwealth of Virginia and mailed to:

Treasurer, Commonwealth of Virginia
DGS Fiscal Services
P.O. Box 562
Richmond, Virginia 23218

Or to:

Treasurer, Commonwealth of Virginia, DGS
Attn: Bryan Chamberlain
1111 E. Broad Street, 6th Floor
Richmond VA 23219

Contractor shall participate in the eVA Internet e-procurement solution and agree to comply with the following:

Failure to provide an electronic catalog (price list) or index page catalog for items awarded will be just cause for the Commonwealth to terminate this contract for default. The format of this electronic catalog shall conform to the eVA Catalog Interchange Format (CIF) Specification that can be accessed and downloaded from www.eVA.virginia.gov. Contractors should email Catalog or Index Page information to eVA-catalog-manager@dgs.virginia.gov

44. EXCLUSIVITY OF TERMS AND CONDITIONS

No employee or agent of the Commonwealth or Authorized User shall be required to sign or execute any additional contract, license or other contract containing contractual terms and conditions; excluding the Participating Addendum as required for as stipulated under the section herein entitled "Use Of Contract By Third Parties." Notwithstanding the afore-mentioned, any documents signed by persons other than the Director, DPS Procurement or their authorized designee shall have no validity or effect upon the Contract.

45. CONTRACTUAL DISPUTES

In accordance with Section 2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the applicable Authorized User no later than sixty (60) days after final payment; however, written notice of the Contractor's intention to file such claim must be given to such Authorized User at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The Authorized User shall render a final decision in writing within thirty (30) days after its receipt of the Contractor's written claim.

The Contractor may not invoke any available administrative procedure under Section 2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the Authorized User's decision on the claim, unless that Authorized User fails to render its decision within thirty (30) days. The decision of the Authorized User shall be final and conclusive unless the Contractor, within six (6) months of the date of the final decision on the claim, invokes appropriate action under Section 2.2-4364, Code of Virginia or the administrative procedure authorized by Section 2.2-4365, Code of Virginia.

The Commonwealth of Virginia, Department of General Services, its officers, agents and employees, including, without limitation, the Contracting Officer and applicable Authorized User, are executing this Agreement, or issuing any Orders hereunder, solely in its or their statutory and regulatory capacities as agent for the Commonwealth or Authorized User that is purchasing and receiving the Products or Services identified in Attachment "A" to this Agreement or on the subsequent Order in question and need not be joined as a party to any dispute that may arise thereunder.

In the event of any breach by the Commonwealth, then Contractor's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Contractor's remedies include the right to terminate any Order or support Services hereunder.

46. LOBBYING AND INTEGRITY

Contractors are cautioned that communications with individuals other than the Contract Officer may result in incorrect and/or insufficient information being provided. In addition, the Contractor shall not, in connection with this or any other contract or agreement with the State, directly or indirectly (1) offer, confer, or agree to confer any pecuniary benefit on anyone as consideration for any State officer or employee's decision, opinion,

recommendation, vote, other exercise of discretion, or violation of a known legal duty, or (2) offer, give, or agree to give anyone any gratuity for the benefit of or at the direction or request of any state officer or employee.

Upon request of the Commonwealth's, Department of General Services, the Contractor shall provide any information the Agency deems relevant to the Contractor's integrity or responsibility to provide the Services or Products, described herein.

47. ORDERS

Authorized Users shall issue orders (Order) for Products and/or Services from this Contract by any of the following methods:

a. eVA: State agencies shall issue an eVA Order for Products or Services through the Commonwealth's electronic procurement website portal http://www.eva.virginia.gov. Local government Authorized Users have the option to order using eVA

b. Purchase Order (PO): Any other duly authorized Purchase Order issued by an Authorized User.

THIS ORDERING AUTHORITY IS SOLELY LIMITED TO ISSUING ORDERS FOR PRODUCTS AND SERVICES AVAILABLE UNDER THIS AGREEMENT. UNDER NO CIRCUMSTANCES SHALL ANY AUTHORIZED USER OR OTHER ENTITY HAVE THE AUTHORITY TO MODIFY THIS AGREEMENT.

48. ORDER CHANGES

Any changes to be made once an Order has been provided to the Contractor must be made between the Authorized User and the Contractor. Both parties shall agree in writing to any changes and any increase or decrease in the price that may result as a consequence of the changes. No Order Changes may be made verbally. Only the Authorized User has the right to issue a change to any Order.

49. TERMINATION OF INDIVIDUAL ORDER

Any individual Order issued under this Agreement may be terminated, in whole or in part, by an Authorized User for its convenience, at any time by providing thirty (30) days advance written notice to the Contractor. There are no other costs or obligations for termination for convenience. .

50. E-VERIFY PROGRAM

Pursuant to Code of Virginia, §2.2-4308.2., any employer with more than an average of 50 employees for the previous 12 months entering into a contract in excess of $50,000 with any agency of the Commonwealth to perform work or provide services pursuant to such contract shall register and participate in the E-Verify program to verify information and work authorization of its newly hired employees performing work pursuant to such public contract. Any such employer who fails to comply with these provisions shall be debarred from contracting with any agency of the Commonwealth for a period up to one year. Such

debarment shall cease upon the employer's registration and participation in the E-Verify program. If requested, the employer shall present a copy of their Maintain Company page from E-Verify to prove that they are enrolled in E-Verify.

51. CANCELLATION OF CONTRACT

The Contract Officer reserves the right to cancel and terminate any resulting Contract, in part or in whole or individual order, in part or in whole, without penalty, upon one hundred and twenty (120) days written notice to the Contractor. In the event the initial Contract period is for more than twelve (12) months, then the resulting contract may be terminated by either party, without penalty, after the initial twelve (12) months of the Contract period upon one hundred and twenty (120) days written notice to the other party. Any Contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

52. CONTINUITY OF SERVICE

The Contractor recognizes that the Products/Services provided under this Contract are vital to the Commonwealth and to each Authorized User and must be continued without interruption and that, upon Contract expiration, a successor, either the Commonwealth or another Contractor, may continue them. The Contractor agrees:

a. To exercise its best efforts and cooperation to effect an orderly and efficient transition to a successor;
b. To make all Commonwealth and Authorized User owned facilities, equipment, and data available to any successor at an appropriate time prior to the expiration of the Contract to facilitate transition to successor; and
c. That the Commonwealth Contracting Officer shall have final authority to resolve disputes related to the transition of the Contract from the Contractor to its successor.

The Contractor shall, upon written notice from the Contract Officer, furnish phase-in/phase-out services for up to one hundred and twenty (120) days after this Contract expires and shall negotiate in good faith a plan with the successor to execute the phase-in/phase-out services. This plan shall be subject to the Contract Officer's approval.

The Contractor shall be reimbursed for all reasonable, pre-approved phase-in/phase-out costs (i.e., costs incurred within the agreed period after Contract expiration that result from phase-in, phase-out operations) and a fee (profit) not to exceed a pro rata portion of the fee (profit) under this Contract. All phase-in/phase-out work fees must be approved by the Contract Officer in writing prior to commencement of said work.

53. MAINTENANCE MANUALS:

Contractor shall provide with each piece of equipment an operations and maintenance manual with wiring diagrams, parts list, and a copy of all warranties.

54. WARRANTY (COMMERCIAL)

Contractor agrees that the Products or Services furnished under this Contract shall be covered by the most favorable commercial warranties the Contractor gives any customer for such Products or Services and that the rights and remedies provided therein are in addition to and do not limit those available to the Commonwealth by any other clause of this Contract.

55. BREACH

A Contractor shall be deemed in breach of this Agreement if the Contractor (a) fails to deliver Products or Services on time as previously agreed upon between Contractor and Authorized User (b) fails to comply with any other term of the Order or this Agreement and fails to cure such noncompliance within ten (10) days or sooner as may be required herein (or such greater period as is acceptable to the Commonwealth) following Contractor's receipt of a Show Cause Notice identifying such noncompliance; or (c) fails to provide a written response to the Commonwealth's Show Cause Notice within ten (10) days after receiving same.

In the event of breach, in addition to any other remedies provided by law, the Commonwealth may cancel its obligations with respect to any or all unaccepted Products or Services. All costs for the return of Products shall be borne by the Contractor. In no event shall any failure by the Commonwealth or Authorized User to exercise any remedy available to it be construed as a waiver of or consent to any breach.

PERSONS SIGNING THIS CONTRACT ARE AUTHORIZED REPRESENTATIVES OF EACH PARTY TO THIS CONTRACT AND ACKNOWLEDGE THAT EACH PARTY AGREES TO BE BOUND BY THE TERMS AND CONDITIONS OF THE CONTRACT.

QUARLES PETROLEUM, INC.	**COMMONWEALTH OF VIRGINIA DEPARTMENT OF GENERAL SERVICES DIVISION OF PURCHASES AND SUPPLY**
BY: Paul Giambra	BY: DM. Parent.
NAME: PAUL GIAMBRA Printed	NAME: DANA PARENT Printed
TITLE: PRESIDENT	TITLE: CONTRACT OFFICER
DATE: 11/20/15	DATE: 11/23/15

ATTACHMENT A
TO
CONTRACT E194-73737-MA2111
BETWEEN THE
COMMONWEALTH OF VIRGINIA
AND
QUARLES PETROLEUM, INC.

PRODUCTS, SERVICES, AND PRICING SCHEDULE

"Attachment A" is hereby incorporated into and made an integral part of Contract E194-73737-MA2111 between the Commonwealth of Virginia and Quarles Petroleum, Inc. In the event of any discrepancy between this "Attachment A" and the Contract, the provisions of the Contract shall control.

I. LISTING OF PRODUCTS AND SERVICES

All requirements stated in the Commonwealth's RFP #E194-163, Section III, entitled "Statement of Needs"; including all Products and Services as applicable and as delineated in Contractor's proposal, submitted in response thereto, for the provision of the statewide bulk motor fuel program as delineated therein, in accordance with the following, or as otherwise stipulated in any subsequent Modification to this shall be provided by the Contractor. The Listing of Products and Services includes, but is not limited to, the following:

A. GENERAL: The Contractor shall furnish all labor, goods, equipment, materials and services necessary to provide Statewide Bulk Motor Fuel Program Products and Services to any public body, as defined in the Code of Virginia §2.2-4301, and to certain charitable corporations and private nonprofit institutions of higher education chartered in Virginia, as directed pursuant to Code of Virginia §2.2-1120 et seq.

The Contractor shall:

1. Deliver a broad spectrum of high quality motor fuel Products to users throughout the Staunton, Culpeper, Northern Virginia, Fredericksburg and Richmond VDOT districts, and any sub-districts therein, in an efficient and effective manner. The districts by which the Commonwealth has been divided into are shown in **Appendix A, Fuel District Map**;
2. Proactively manage demand spikes;
3. Provide Reliable Delivery of bulk motor fuel Products to the Commonwealth's public bodies.

   Reliable Delivery shall be defined as the delivery of bulk motor fuel Products in a manner that meets or exceeds the requirements stated herein, during times of:

   a. Normal business operations;
   b. Spikes in Authorized User demand;
   c. Regional or industry wide bulk motor fuel shortages;
   d. Times of Urgent Need, which shall be defined as times during which an Authorized User(s) is preparing for and/or responding to events, including but not limited to inclement weather, that may adversely affect the ability of the Authorized User's citizens to undertake their normal daily activities;

e. State declared emergency; and,
f. Catastrophe, which shall be defined as the times during which the United States Federal government declares a state of emergency within and/or outside of the Commonwealth of Virginia and during which the supply of bulk motor fuel, its underlying ingredients, and/or the industry's manufacturing capability, is adversely affected. Catastrophes shall also include worldwide events, including but not limited to, weather events, acts of war, and cartel decisions that adversely affect the supply of bulk motor fuel, its underlying ingredients, and/or the industry's manufacturing capability.

4. Ensure the Contractor's relationships with refineries, fuel terminals, and carriers collaborate to consistently provide reliable delivery of bulk motor fuel Products and high quality customer service to Authorized Users.

5. The Contractor shall offer its full menu of Products and Services to the Commonwealth and all Authorized Users as part of this Contract. Those Products and Services include, but are not limited to:

   a. Fleet fueling solutions, such as card-lock fueling locations,
   b. A web based application for submitting orders and tracking account activity,
   c. Private site automation,
   d. Diesel Exhaust Fluid, and
   e. Other additives and lubricants.

   The Contract shall not offer to state agencies and institutions any Products or Services, such as consignment fuel and fuel for generators, which are currently available through any other DPS statewide contract, without the express written consent of the Commonwealth.

B. MOTOR FUEL PRODUCT REQUIREMENTS: The Contractor shall provide motor fuel Products that conform to the applicable federal, state and local laws and codes of each Authorized User. The laws and codes include, but may not be limited to, the American Society for Testing and Materials (ASTM), Environmental Protection Agency (EPA), National Biodiesel Accreditation Commission (NBAC), American National Standards Institute (ANSI), and Occupational Safety and Health Administration (OSHA) requirements, regulations and guidelines applicable to regular, reformulated, diesel, biodiesel or any other types of motor fuel Products. If the applicable laws and codes are modified during the term of the Contract, the Contractor must deliver motor fuel Products that comply with the modified laws and codes.

The Contractor shall provide Material Safety Data Sheets (MSDS) via email in an electronic format such as PDF to any Authorized User upon their request.

1. **MOTOR FUEL PRODUCTS LIST:** The Contractor shall provide the bulk motor fuel products listed in **Appendix B, Motor Fuel Products List**. The Commonwealth reserves the right, at its sole discretion, to change the list of bulk motor fuel products by deletion of motor fuel products no longer needed.

2. **PRODUCT QUALITY:** The Contractor shall ensure all delivered motor fuels products are of a high quality and do not contain any foreign substance, sediment, water or any other contamination which may damage any Authorized User's vehicles or fuel storage tanks.

Foreign substances shall include, but not be limited to, the group of bacteria, fungi and other contaminates commonly referred to as the "diesel bug."

The Contractor shall provide summer and winter diesel fuel additive products to Authorized Users that opt to enhance the quality of the bulk motor fuel product above and beyond the minimum standards described herein. The available additive products shall be provided pursuant to the fee schedule describe **Section II, Pricing Schedule.**

When additives are provided by the terminal, the additives shall be injection blended. For deliveries made by the Contractor's own transport vehicles, additives shall be added to the fuel by injection blending at the rack through use of a saddle tank, pump, and meter. For deliveries made by the Contractor's own tank wagon vehicles, additives may be added to the fuel by injection blending at the rack through use of a saddle tank, pump, and meter, or splash blending when required. For deliveries performed by sub-contractors, winter additive may be added at the rack or splash blended, and summer additive may be added by splash blending at the truck or delivery location.

3. **PRODUCT TESTING:** The Contractor's deliveries of bulk motor fuel products shall be subject to testing to insure compliance with the applicable laws and codes and other product quality requirements described. All tests shall be made as per methods specified by the ASTM, unless otherwise agreed to in writing by OFMS and the Contractor.

   The Contractor must allow Authorized Users to take test samples from delivery trucks. Samples will be sent to an independent lab or to the Virginia Department of Agriculture and Consumer Services (VDACS) or to any other Virginia Department with authority and capability to perform the testing. Samples will be tested for compliance with the requirements as described herein. When the test analysis shows the bulk motor fuel product is in compliance with requirements, the Authorized User will pay for the test. When the test analysis shows the bulk motor fuel product does not meet the requirements the Contractor shall pay for the test.

   The Contractor shall randomly test, at no cost to the Commonwealth, 20 loads per quarter to ensure that fuel products meet or exceed the quality requirements described herein. If a sample is deemed to be out of tolerance, the Contractor must report the issue to OFMS and should provide the testing information to the fuel supplier.

   Additionally, product quality testing performed by the terminal and/or other storage facilities shall be made available to Authorized Users upon their request.

4. **PRODUCT RETURN:** Bulk Motor Fuel Products that do not meet the Product quality requirements stated herein and are judged by Authorized Users to be unacceptable may be rejected.

   In such cases, the Contractor shall remove such bulk motor fuel and replace it at no additional cost to the Authorized User. In addition, the Contractor shall be liable for all charges, labor, and/or materials, which includes but may not be limited to tank cleaning, necessary to bring contaminated tanks back to their pre-contaminated condition.

   Evidence of fuel that does not meet the Product quality requirements stated herein may include, but not be limited to, tank gauge and/or stick readings, as well as Product testing.

Pursuant to such evidence and upon determination of Contractor responsibility for delivering the fuel, the Contractor shall:

a. Contract with its vendor to pump the Product from the tank;
b. Provide tank cleaning to bring the tank back to its prior condition;
c. Replace the fuel at no additional cost to the Commonwealth;
d. Reimburse Authorized User for the repairs to their vehicles, if the Authorized User's vehicles are damaged by the contaminated Product; and,
e. Provide a report, within 60 days of the incident to the Authorized User and OFMS on the resolution of the issue and the preventative measures to be put in place to reduce the possibility of future incident.

C. **AUTHORIZED USER ACCOUNT SET UP:** The Contractor shall set up Authorized User accounts pursuant to Section 28 of the Contract, entitled Use of Contracts by Third Parties.

The Contractor shall contact the Authorized User within 1 business day of receiving their contact information in order to obtain the user's account set up details. After receipt of this information, the Contractor shall set up the account within 1 to 2 business days. The Contractor shall then contact the Authorized User to review the account set up and coordinate account training, access, and placement of orders.

At approximately 30 days and 90 days after account set up, the Contractor's Onboarding Team shall follow up with the Authorized User's primary contact to review the account and ensure that the Authorized User's needs are being met.

D. **AUTHORIZED USER TRAINING:** The Contractor's Onboarding Team shall provide training to Authorized Users at the time of account set up. The training should include, but may not be limited to the following:

1. Overview of available Products and Services;
2. Delivery Order Request Procedures;
3. Contractor's contact information; and,
4. Technology offerings and usage.

Training may be onsite, via data or tele conference, or via manuals that can be sent to Authorized Users electronically. The Contractor must also provide to Authorized Users an Onboarding Packet that should include the information described above.

Training should be offered no less than annually to each Authorized User via a district-wide training session, individualized training, or some combination thereof and shall be provided to Authorized Users upon their request.

E. **ORDERS:** The Contractor shall receive and process both standard and standing orders in a way that is administratively efficient for Authorized Users and insures that orders are fulfilled accurately. The Contractor may recommend, but not require, that Authorized Users submit separate purchase orders for bulk motor fuel products and other pre-packed products or services.

1. **Standard Orders:** The Contractor shall allow for Authorized Users to place Standard Orders, which are individual Orders for bulk motor fuel Products, via the following methods:

a. Toll free telephone;
b. Email to the Contractor's staff dedicated to such purposes;
c. Electronic receipt, which shall include via eVA; and/or,
d. Direct entry into the Contractor's technology.

2. **Standing Orders:** The Contractor must allow Authorized Users to set up Standing Orders for specific bulk motor fuel types and volumes on regular delivery schedules during normal business hours.

   The Contractor also must provide Authorized Users with the capability to set up automatic delivery based on information transmitted via Veeder-Root, SMARTank, or other similar tank monitoring technology. The Contractor shall monitor tank inventory via these means and provide automatic delivery of bulk motor fuel products at predetermined inventory levels as defined by the Authorized User. This service shall be provided free of cost if the following conditions are met:

   a. The Authorized User's tank locations have Veeder-Root, SMARTank, or WesRoc automatic tank gauges that are capable of transmitting information to the Contractor; and,
   b. The Authorized User's tank locations use either 4,000 gallons per month or 48,000 gallons annually.

   If an Authorized User's above ground storage tank requires an automatic tank gauge so that automatic delivery can be provided via tank monitoring, the Contractor and the Authorized User may enter into an agreement for the provision and installation of such equipment pursuant to the fee structure described in **Section II, Pricing Schedule**. The Contractor must provide a quote to the Authorized User prior to the delivery of any goods and Services related to the installation of any automatic tank gauge equipment.

   If the installation of automatic tank gauge equipment requires construction, additional terms and conditions shall be negotiated and agreed upon between the Authorized User and the Contractor prior to the delivery of the Products and Services to insure compliance with any applicable laws and ordinances. **In the event of any conflict, the terms and conditions of this contract shall control.**

F. **DELIVERY OF MOTOR FUEL PRODUCTS:** The Contractor must provide for the reliable delivery of the bulk motor fuel products included on the most current version of the motor fuel products list to any Authorized User.

   Deliveries will only be accepted during normal business hours, which are considered to be Monday through Friday according to the hours of operation for each Authorized User's location. However, Authorized Users may allow for and request deliveries during weekend and non-normal business hours during times of demand spikes, regional or industry wide bulk motor fuel shortages, urgent need, state declared emergencies, and catastrophes.

   The Contractor must verify the Authorized User's normal business hours prior to delivery. All vehicles and equipment used in the delivery of bulk motor fuel products shall be in good repair and operated by delivery personnel in a professional and workmanlike manner. The Contractor shall be responsible for the performance of all delivery personnel.

Authorized users will have an established account set up with the Contractor prior to submitting an order for the delivery of bulk motor fuel products. For delivery locations within 45 miles of one of the Contractor's Division Locations, which may also be called Quarles Service Center(s), orders placed prior to 12 p.m. shall be delivered the next day within a four hour delivery window that shall be within the Authorized User's established allowable delivery times, with the exception that those orders placed on Friday will be delivered on the following Monday unless authorization for a weekend delivery has been provided by the Authorized User. For locations greater than 45 miles from a Quarles Service Center and for all orders placed by any location after 12 p.m. delivery shall be made on the second day after the day of order within a four hour delivery window that shall be within the Authorized User's established allowable delivery times, with the exception that those orders placed on Friday will be delivered on the following Monday unless authorization for a weekend delivery has been provided by the Authorized Users.

All deliveries shall be FOB Destination.

1. **Delivery Locations:** The Contractor must allow Authorized Users to add or remove delivery locations at their discretion and shall adhere to the security requirements of any Authorized User's delivery location(s).

   Authorized users will notify the Contractor in writing, via email, in order to add or delete any delivery location.

   Contractor shall provide Authorized Users with the opportunity to submit delivery instructions and security requirements, if any, upon the addition of any new location, to include new account set ups. Delivery instructions should include security requirements, driver instructions, and other special instructions for delivery. The Contractor shall notify the delivery personnel of the instructions prior to delivery.

   The Contractor may provide delivery service to unmanned locations through special setups, which should include dedicated carriers and drivers that have received additional training on making these types of deliveries. The Contractor shall verify delivery volumes through matching the invoiced volume on both the Bill of Lading and the Automatic Tank Gauge reports. If, during the course of delivery, the Authorized User's property is damaged, the driver must immediately notify the Contractor. The Contractor must then notify the Authorized User and shall also dedicate a staff resource to review the incident. The Contractor shall provide a report of the incident and its resolution to OFMS.

2. **Delivery Notification:** The Contractor must give Authorized Users prior notice of when their bulk motor fuel product order will be delivered. The Contractor shall forfeit any applicable demurrage or diversion fees if prior notice is not given.

   When making delivery via their fleet, the Contractor shall provide Authorized Users with an estimated time of delivery using their proposed Fleet Tracking technology. However, for deliveries to unmanned locations, if the Authorized User requires their staff to be onsite at the time of delivery and provides a contact phone number, the Contractor will notify the Authorized User via phone at least one hour prior to arriving at the delivery location. When deliveries are made by a sub-contracted carrier, the Contractor shall notify Authorized Users of pending deliveries 24 to 48 hours ahead of time. All delivery notifications shall include the delivery window during which the truck is expected to arrive at the location.

3. **Delivery Sizes:** The Contractor shall provide for the reliable delivery of bulk motor fuel products in any volume the Authorized User orders, which shall include providing delivery via transport truck or tank wagon as well as partial or split deliveries.

   The Contractor shall provide accurate and verifiable measurements of the bulk motor fuel product delivered. All delivery vehicles must be equipped with a flow meter or have some other reliable system for verifying the volume of bulk motor fuel that has been delivered. If a delivery vehicle has a flow meter, then the Contractor shall provide a metered delivery ticket at the time of delivery.

   All Contractor owned tank wagon vehicles and the majority of their transport trucks shall be equipped with flow meters to ensure accurate measurement of delivery volumes. For those transport trucks that do not have flow meters, a before and after stick reading of the tank or an automatic tank gauge increase report shall be used to verify the delivery amount.

   For transport sized deliveries, the Contractor shall adjust for volume changes caused by temperature variations and shall invoice Authorized Users based on the net volume delivered. For tank wagon sized deliveries, the Contractor shall bill based on the gross volume delivered.

   The amount of bulk motor fuel product delivered by the Contractor must be reasonably equal to the amount of bulk motor fuel product ordered by the Authorized User. If the amount delivered is not within plus or minus 2% of the amount of bulk motor fuel product ordered, then the Contractor must take one of the following actions:

   a. **Overages**: If the quantity delivered is greater than 2% over the amount ordered, the Authorized User, at their sole discretion, may opt to accept the overage. If the Authorized User does not opt to accept the overage, the Contractor shall remove the excess bulk motor fuel so that the total amount delivered is within 2% of the amount ordered.

   b. **Shortages:** During times of normal business operations, if the quantity delivered is greater than 2% below the amount ordered, the Authorized User, at their sole discretion, may opt to accept the shortage. If the Authorized User does not opt to accept the shortage, the Contractor shall deliver the remaining bulk motor fuel due within 24 hours at no extra cost.

   The Contract shall allow Authorized Users to submit orders for delivers to be split between different locations and will be allowed to charge the fee as described in **Section II, Pricing Schedule.** The maximum mileage allowed for split deliveries is 25 miles between locations.

G. BILL OF LADING: The Contractor shall issue a bill of lading, also referred to herein as a "Delivery Ticket," to the Authorized User after the bulk motor fuel product has been delivered into the Authorized User's tank(s). The Contractor shall not include any other terms and conditions applicable to OFMS or any Authorized User on the bill of lading, and if they are so included, they shall be deemed null and void by the Contractor.

The delivery ticket must minimally include the account information of the Authorized User, the order number, the type of bulk motor fuel product delivered, the volume ordered. For those deliveries made by tank wagon truck the delivery ticket shall include the total volume delivered in gross gallons. For those deliveries made by transport truck, the Contractor shall also include the terminal from which the fuel is pulled from as well as the total volume delivered in both gross and net gallons.

H. SPILLS: Authorized users will bear no responsibility for any bulk motor fuel spill(s) that occurs during delivery that are the fault of the Contractor or any subcontractor.

If the Contractor or any subcontractor is at fault for any bulk motor fuel spill(s) that occurs during delivery, the Contractor shall be responsible for all clean-up and costs associated with the bulk motor fuel spill(s). This includes any requirements, fines or fees assessed by the Department of Environmental Quality (DEQ), Environmental Protection Agency (EPA) or other regulatory departments, agencies, or authorities.

The Contractor must notify OFMS within 24 hours of a spill.

The Contractor's delivery drivers shall receive training on spill prevention at the time of hire and annually thereafter. The Contractor shall minimally do the following in the event of a spill:

1. The driver shall immediately report the spill to their supervisor, who shall in turn report the spill to the Contractor's Environmental Director.
2. Based on the size and location of the spill, the Environmental Director shall make a decision to either call in a 3rd party vendor to remediate the spill or to use the Contractor's personnel for cleanup.
3. Spills of 25 gallons or greater and all spills affecting waterways and utilities shall be reported to the Virginia Department of Environmental Quality.
4. Spills of less than 25 gallons shall be cleaned by the Contractor's personnel or a 3rd party vendor.
5. All media used to remediate the spill shall be properly disposed of by the Contractor at a recycling company within the Commonwealth.

I. SUPPLY CHAIN: The Contractor shall provide Authorized Users with a supply chain that will ensure the reliable delivery of bulk motor fuel products at all times during the term of this Contract, or any Renewal Term period.

1. **Refinery and Pipeline Relationships:** The Contractor must maintain uninterrupted relationships with refineries or other sources of supply of bulk motor fuel products, which should include, but not be limited to, becoming a shipper of Product on the Colonial and/or Plantation pipeline(s). These relationships and agreements must support of the Commonwealth's bulk fuel needs.

   The Commonwealth understands that the ability to become a shipper on the pipeline(s) may be influenced by factors outside of the Contractor's control. Therefore, the Contractor shall exercise their best efforts to become a shipper on the pipeline(s) during calendar year 2016 and shall submit a written report of their progress to OFMS at the end of each calendar year quarter. The report shall minimally include a project plan with goals and the objectives, timelines and outcomes relevant to attaining those goals.

   If the Contractor cannot become a shipper on the pipeline(s) for any reason or, if during any term of the Contract, the Contractor opts, pursuant to their reasonable business discretion, to discontinue their status as a shipper on the pipeline(s), the Contractor shall submit evidence of their plans to replace the surety of being a shipper on the pipeline (for example by purchasing allotments of fuel not subject to allocation or some other similar method). This evidence shall be submitted in writing to OFMS thirty (30) days prior to the discontinuation of the Contractor's

status as a shipper on the pipeline(s) or at the time the Contractor discontinues their efforts to become a shipper on the pipeline(s).

2. **Terminal Relationships:** The Contractor must maintain uninterrupted relationships with terminals and other facilities that distribute bulk motor fuel, which shall include but not be limited to maintaining active terminal agreements with the primary terminals used to provide fuel to the delivery districts as well as relationships with other terminals throughout the Commonwealth and surrounding states.

   The Contractor shall provide to OFMS, upon their request, with test results for Product pulled from the terminals.

3. **Backup Supply:** The Contractor shall maintain a backup supply of bulk motor fuels in order to ensure their supply chain is able to support the Commonwealth's bulk fuel requirements. The backup supply shall be reasonably equal to the Contractor's current capacity of approximately 300,000 gallons of owned storage as well as their dedicated storage throughput agreement for approximately 660,000 gallons. The parties agree that the backup supply is meant to be used pursuant to the Contractor's reasonable business discretion to support the ongoing needs of all of their customers and will not be held in abeyance solely for the use of the Commonwealth and that the backup supply will be used by the Contractor to bolster the overall surety of their supply chain.

4. **Carrier Management:** The Contractor shall insure that their carriers provide a consistently high level of professionalism, workmanship, and customer service.

   The Contractor shall use their fleet to provide the majority of deliveries, which is approximately 90% of transport deliveries and approximately 95% of tank wagon deliveries and shall maintain contractual agreements with subcontracted carriers used in support of this Contract. The on-time performance of all carriers must be measured by the Contractor and corrective actions shall be taken to remedy poor carrier performance.

   The Contractor must remove any particular carrier or delivery personnel from providing Service to any particular Authorized User upon OFMS' request and reasonable business discretion.

5. **Demand Fluctuation Management:** The Contractor must proactively and reactively manage fluctuations in demand so that Authorized Users do not experience disruptions in the reliable delivery of bulk motor fuel products. The Contractor shall do so through providing the redundant supply, storage, carrier and other Products and Services described in this Section I, Supply Chain.

   Additionally, in order to insure reliable delivery to Authorized Users during seasonal shortages and to minimize the impacts of other supply distributions, the Contractor shall enter into supply agreements to secure 100% of the Commonwealth's estimated annual volume on a monthly usage basis for the awarded districts. The Contractor shall also supplement their carrier staff with approximately 30 additional winter seasonal drivers.

   The Contractor shall host an annual demand fluctuation management meeting, which should take place in the first half of October of each year. The topics should include an overview of the Contractor's operations, contact information, the card-lock unattended fueling station network, winter storm management plans, automated delivery via tank monitoring, and a round

table discussion on winter challenges. The desired outcome of this meeting is to review the Contractor's winter demand plans, obtain Authorized Users' input on the plans, and make any adjustments needed to better prepare for the winter demand spike.

6. **Emergencies:** In the event of demand spikes, regional or industry wide bulk motor fuel shortages, urgent need, state declared emergencies, and catastrophes (collectively referred to herein as an "Event") the Contractor shall make delivery of bulk motor fuel products to Authorized Users in a priority manner.

   The Contractor shall:

   a. Ensure that Authorized Users are supplied with adequate amounts of fuel in preparation for Events;
   b. Make deliveries to Authorized Users their first priority;
   c. Establish the priorities for deliveries among Authorized Users based on direct communications with Authorized Users or interactions with the Virginia Department of Emergency Management (VDEM), as may be required;
   d. Leverage their Backup Supply, as described in Section I.3 above, to insure continuous supply to all Authorized Users during an Event;
   e. Partner with Authorized Users to make use of, via the Commonwealth's fuel card program for state agencies or other Authorized User's fuel card programs, the Contractor's cardlock fuel site network locations, and the additional fuel equal to approximately 500,000 gallons stored thereat, as centralized points for fuel distribution for Authorized Users' vehicles required to operate during an Event;
   f. Make deliveries whenever it is safe to be on the road. Roads will be determined to be unsafe if they are declared as closed by the state or federal government or upon the reasonable business judgment of the Contractor. This reasonable business judgement shall be similar to the judgement exercised by the Contractor over the previous 24 months in which they have not removed vehicles from the road on a statewide basis for any reason and have only removed vehicles from the road in localized areas for not more than 1 business day; and,
   g. Leverage their partner carriers to make deliveries in the event the Contractor is not able to make the delivery with their fleet.

   Deliveries may be reduced, increased or delayed, depending on the Event and the immediate need of the Authorized User in order to ensure that no Authorized User runs out of fuel. If a delivery is to be made short, the Contractor shall contact the affected Authorized User prior to delivery to inform them of the short. If the Authorized User provides a reasonable business justification for refusing the short (for example, their usage rate demonstrates the location risks running out of fuel due to the short delivery) then the Contractor shall deliver the fuel in the quantity ordered.

   Additionally, during times of demand spikes, regional or industry wide bulk motor fuel shortages, urgent need, state declared emergencies and catastrophes and in the event of fuel supply shortages at the terminal established as the primary point of supply for any particular Authorized User, the Contractor shall notify the affected user of the shortage and the expected date of return to normal operations. The Contractor shall also provide OFMS with evidence to substantiate the claim. If the Authorized User so chooses, the Contractor shall provide the fuel from the next available alternate point of supply, and if so, then the fee structure as described

in **Section II, Pricing Schedule** shall apply. All such charges must be approved in advance in writing by the Authorized User.

Neither the Contractor nor the Commonwealth can predict the circumstances that may be present when an emergency or catastrophe occurs. Any emergency fueling operations that the Contractor is capable of providing and that are required and requested by Authorized User(s) that fall out of the normal processes and procedures described in this Contract shall be provided to the Authorized User(s) by the Contractor. The emergency fueling operations shall be billed at the Contractor's actual cost above and beyond the normal operating costs as described in the Pricing Schedule. The Commonwealth and the Contractor may also negotiate a markup in cents per gallon, as a flat fee, or other pricing methodology for such emergency fueling operations.

The Contractor and the Authorized Users are strongly encouraged to engage in discussions to plan for the provision of Products and Services necessary to the Authorized User's mission for any emergency scenario that may be anticipated prior to the occurrence of such an Event.

This may include, but not be limited to, situations such as a lane reversal during an evacuation of the Hampton Roads area. These additional Products and Services and any associated additional costs should be agreed to by the Commonwealth and the Contractor in writing pursuant to a contract modification prior to delivery.

The Contractor shall contact VDEM within thirty (30) days of contract award to schedule a meeting to accomplish the following objectives:

a. Establish a coordinating governance format that will ensure continual effective communications at all times during an Event, which should include but not be limited to periodic discussions and exchanges of reliable points-of-contact information prior to an Event;
b. Describe the Contractor's plans, resources and capabilities to provide Products and Services at all times during an Event;
c. Describe VDEM's needs and order of priority for statewide support during an Event; and,
d. Discuss the need for and proceed toward entering into a contract modification, to be issued upon written agreement of the parties by the DGS Contracting Officer, for any VDEM needs during an Event.

J. **CUSTOMER SUPPORT:** The Contractor must provide customer support for the Statewide Bulk Motor Fuel Program to include but not be limited to a Dedicated Account Team, Customer Service, Business Optimization Program Reviews and Other Support Services.

1. **Dedicated Account Team:** The Contractor must provide a dedicated account team to support the Commonwealth's need for Bulk Motor Fuel Program Products and Services. If a change in the dedicated account team personnel occurs after the contract award is made, then the Contractor must provide a replacement with qualifications that are reasonably equal to or better than the personnel that is being replaced. OFMS, in its sole discretion, may request changes to the dedicated account team personnel.

The dedicated account team shall consist of the Contractor's:

a. Manager of Business Development, responsible for startup and transition project management;
b. Client Relationship Manager, responsible for the day to day management of the contract;
c. Director of Transportation and Purchasing, responsible for the implementation and oversight of supply management, purchasing and transport delivery contracts; and,
d. Manager of Client Services, responsible for centralized customer Service.

The dedicated account team shall be available via phone and email from 8 a.m. to 5 p.m. Monday through Friday, with the exception that the Call Center Supervisor shall be available from 7:30 to 4:30 Monday through Friday.

2. **Customer Service:** The Contractor shall deliver comprehensive customer service for both Standard and Other Customer Service needs to all users of the Statewide Bulk Motor Fuel Program, which includes, but may not be limited to, OFMS as well as Authorized Users' fiscal, administrative and frontline staff. Standard customer service shall include customer support provided for delivery, account, and billing inquiries and other similar services. Other customer service shall include support provided after non-normal business hours during times of urgent need, state declared emergencies, and catastrophic conditions.

   The Contractor shall provide detailed customer service contact information to Authorized Users at the time of account set up.

   Customer service inquiries shall be escalated to the Client Relationship Manager at the Authorized User's request or as otherwise deemed necessary. If the Client Relationship Manager is unable to provide a resolution and/or as is requested by the Authorized User, the issue shall be further escalated to the Manager of Client Services and/or the Manager of Business Development, who shall contact the Authorized User within 8 business hours of notification to initiate the Contractor's proposed resolution to the issue.

   a. Standard customer service shall be available via a dedicated toll free number or email. The service hours shall be from 7:30 a.m. to 5 p.m. Monday through Friday during the months of April through December and from 7:30 a.m. to 6 p.m. Monday through Friday and from 8 a.m. to 12 p.m. Saturday during the months of January through March.

      The Contractor shall typically provide an average speed of answer time for the toll free number of approximately 24 seconds and an average email response time of approximately 4 business hours. For customer service inquires related to active accounts, the Contractor shall validate that the person requesting any account changes has been authorized to do so.

      In the event that the call center becomes unavailable, due to emergency or otherwise, the Contractor's after-hours emergency phone support service and remote support staff shall be utilized to provide customer service.

   b. Other customer service shall be available outside of the Contractor's normal business hours via a toll free number which routes to an emergency phone support service that shall relay requests to the Contractor's on-call field personnel for resolution.

The Client Relationship Manager, Erin Rogalla, shall be the point of contact during state declared emergencies and catastrophic conditions and can be reached at 1-855-242-5090, ext. 8104 or at erogalla@quarlesinc.com.

3. **Business Optimization Program Reviews:** Once annually, the Contractor shall offer to meet with OFMS and Authorized Users that are actively using the Contract and set up meetings with those that accept the offer. The goal of these meetings shall be to identify focus areas and solutions that will lead to administrative efficiencies and cost savings. For those Authorized Users that opt to implement, in whole or in part, the recommended solutions, the Contractor shall provide data that assess the impact of the changes approximately 3 months after implementation.

4. **Other Support Services:** The Contractor shall attend relevant statewide conferences and provide presentations related to the bulk fuel program and should partner with OFMS to identify these opportunities.

K. **SYSTEMS TECHNOLOGY:** The Contractor shall provide Authorized Users with access to their proposed Quarles Web Interface. The capabilities of this technology shall include, but are not limited to, allowing Authorized Users to track their bulk motor fuel purchases through the availability of delivery related transactional data as well as invoicing and payment data.

1. **General:** The Contractor shall provide access to the technology via a public facing web interface that can be accessed by using a unique username and password which shall be provided to an Authorized User upon their request. The Authorized User shall only be allowed to access information relevant to their account. The Contractor shall set up a master account which covers multiple accounts under an Authorized User's purview upon the request of the Authorized User.

   The Contractor shall communicate outages, data load delays, maintenance and other system performance issues to OFMS and any affected Authorized Users in a timely manner.

2. **Reporting:** The Contractor's technology shall provide standard reporting that contains transactional data related to an Authorized User's delivery history and shall provide ad hoc reporting for other available data upon the request of an Authorized User. The Contractor shall provide the Authorized User with a delivery date for the ad hoc report within 2 days of the request. Reporting data shall be exportable into a number of file formats, which must include Excel and CSV spreadsheets.

   The Contractor shall, upon consultation with OFMS, develop and provide other standardized reports to include management and consumption and spend reports as well as develop and provide a standardized dashboard that provides a snapshot of the Authorized User's program.

3. **Other Capabilities:** The Contractor's technology shall also provide for:

   a. Data file exports of transactional data that can be run at regular intervals (daily, weekly, or monthly) for business intelligence purposes;
   b. Automatically generated delivery notices for those Authorized Users that have Telapoint or WesRoc tank gauges;

c. The ability to import the required tank monitoring data, for the purpose of setting up automatic delivery, via a standardized form submitted either by email or FTP;
d. Data files of transactional data sent via FTP and/or SFTP that may be imported into an Authorized User's other technologies; and,
e. For those Authorized Users that opt for automatic delivery via tank monitoring, a more detailed data capture and control that may be imported into the user's maintenance and telematics systems technology such as FASTER, Spireon, Verizon Network Fleet and CalAmp Wireless Matrix.

L. SERVICE LEVEL AGREEMENT: The Contractor shall provide Authorized Users with a Service Level Agreement (SLA) that insures that high quality motor fuel Products are reliably delivered. The Service Level Agreement shall include but not me limited to:

Service Level Standards and Remedies			
Item Number	**Description**	**Performance Rate**	**Remedy**
1.	The Contractor shall make deliveries whenever it is safe to be on the road.	100%	If the Contractor exercises their reasonable business discretion to keep their fleet off the road, they will submit a written report describing the situation along with justification for the business decision to OFMS within 5 business days of the decision.
2.	No tank shall run out of fuel as a result of any action or failure to act that is directly attributable to the Contractor. Examples include, but may not be limited to, actions such as the Contractor's opting to prioritize deliveries to other customers for the sake of increased profitability or failing to maintain a reliable bulk motor fuel supply chain as described herein.	100%	Any missed delivery or other Contractor action that results in a tank running out of fuel will result in an $18.75 fee for every full 15 minute interval for which the tank is empty. The total fee shall not exceed $200.

Service Level Standards and Remedies			
Item Number	**Description**	**Performance Rate**	**Remedy**
3.	The Contractor and Authorized User shall agree on a delivery window, which shall be not more than 4 hours, as well as a cut off time prior to the end of normal business hours during which the motor fuel will be delivered. For deliveries to unmanned sites, if the Authorized User has provided contact information, the Contractor shall call the Authorized User with an estimated delivery time. This notification may be made as the driver is leaving the terminal or other fuel storage site and shall not be less than 1 hour advanced notice	100% on time	Late deliveries will result in an $18.75 fee for every full 15 minute interval after the end of the delivery window or the cut off at the end of normal business hours. The total fee shall not exceed $150.
4.	Requests for customer Service.	24 hours	If resolutions are not initiated within 24 hours of the request, the issue will be escalated to the next management level as described in Section J.
5.	Fuel quality must meet or exceed the standards described herein.	100%	When fuel quality does not meet or exceed the standards, the Contractor shall pay for any applicable laboratory testing and any required treatment, removal, cleaning and/or replacement of fuel Product as described in Section B.
6.	The amount of bulk motor fuel Product delivered by the Contractor must be reasonably equal to the amount of bulk motor fuel Product ordered by the Authorized User.	Within plus or minus 2% of the originally ordered volume	If the Authorized User does not opt to accept the overage or shortage, the Contractor shall pump out or provide the fuel as describe is Section F.3.

Service Level Standards and Remedies			
Item Number	**Description**	**Performance Rate**	**Remedy**
7.	During times of state declared emergency and/or catastrophic events the Contractor shall make deliveries as follows: 1. Immediate threat* to persons or property – within 4 hours 2. Imminent threat** to persons or property – within 10 hours 3. Impending threat*** to persons or property – within 18 hours The Authorized User will be responsible for identifying the threat level. VDEM may also identify the threat level, which shall supersede the Authorized User.	100%	During times of state declared emergency and/or catastrophic events, the Contractor shall keep their delivery vehicles filled and with drivers on call 24 hours a day 7 days a week. If the Standard is not met, a vehicle will be dispatched to the location immediately upon the Authorized User's notification of the missed delivery.

* Immediate threat shall mean that persons or property are currently subject to harm. For example, a person is in need of immediate medical attention and/or property is currently damaged due to an Event.

** Imminent threat shall mean that persons or property will be subject to harm within the near future (i.e. approximately less than the next 10 hours) due to an Event. For example, if an Authorized User does not have fuel within the near future, persons will need medical attention after that time or property will be subject to damage after that time.

*** Impending threat shall mean that persons or property will be subject to harm within the foreseeable future due to an Event. For example, a hurricane is forecast, within a reasonable amount of accuracy, to impact Virginia or the roads will not be able to be cleared, therefore making them hazardous to travel, if bulk motor fuel is not delivered.

The total sum of remedies paid by the Contractor due to any particular Event shall not exceed $100,000.

M. INNOVATIVE SOLUTIONS: The Contractor shall make available to Authorized Users the additional Product and Service offerings described below. These Products and Services shall be provided using the fee structures as described in **Section II, Pricing Schedule.**

In the event that the provision of any innovative solution requires construction, additional terms and conditions shall be negotiated and agreed upon between the Authorized User and the Contractor prior to the delivery of the goods and services to insure compliance with any applicable laws and

ordinances. **In the event of any conflict, the terms and conditions of this Contract shall control.**

1. **Unattended Cardlock Fuel Site Network:** Authorized users may opt to use the Contractor's unattended fuel sites to purchase motor fuel and DEF products, where available.

   The Contractor shall work with the Commonwealth's current fuel card contractor for executive branch agencies and authorities required to use the card and other public bodies that opt to use the Commonwealth's fuel card program to accept the Commonwealth's current fuel card at these locations.

   The Cardlock locations are designed to handle large commercial vehicles with 95% of locations able to accept a vehicle up to tractor trailer size and the remainder able to accept vehicles up to 35 feet in length.

2. **Tank Cleaning and Site Maintenance:** The Authorized User may opt to purchase tank cleaning and other site maintenance.

   For tanking cleaning performed by a single vacuum truck the contaminated liquid and sludge shall be removed and disposed of. For tank cleaning performed by two vacuum trucks along with fuel filtering equipment and pressure washer equipment, the following shall be performed:

   a. Remove the pipe/pump connections to the tank;
   b. Vacuum the fuel from the tank;
   c. Pressure wash the interior of the tank;
   d. Remove the contaminated liquid and sludge; and,
   e. Return the cleaned/filtered fuel to the tank.

   A quote shall be issued for the performance of site maintenance services and the site maintenance services shall not begin until written approval has been provided by the Authorized User. Payment for the goods and services shall be made directly to the Contractor.

3. **Tank Gauging Systems:** A tank gauging system may be purchased by an Authorized User for above ground storage tanks. The Contract shall provide the Wesroc MT9100 complete tank gauge set as described in **Section II, Pricing Schedule**, Table 8, entitled Listing of Available Parts.

   The Contractor shall warrant the equipment and installation for a minimum of one year from the date of installation.

   Additional terms and conditions for the purchase, installation and operation of the equipment may be negotiated by the Contractor and the Authorized User so long as they are more restrictive than and do not conflict with the terms and conditions described herein. **In the event of any conflict, the terms and conditions described herein shall control.**

   Products and Services shall not be provided until approved in writing by the Authorized User.

4. **Diesel Exhaust Fluid (DEF):** Authorized users may opt to purchase DEF through the Contractor. Pack sizes, bulk storage and non-bulk storage options and the associated prices

are described in **Section II, Pricing Schedule.** The Contractor shall provide Blue Sky branded products, or an equivalent replacement, that meet or exceed the ISO 22241 standards for DEF.

5. **Terminal and Rack Access:** The Contractor shall allow Authorized User's vehicles to pull fuel from the terminal(s) and/or the Contractor's other storage locations pursuant to both parties entering into an agreement, which shall be incorporated into this contract pursuant to a written, signed modification executed between the Commonwealth and the Contractor, whereby the Authorized User will become a certified carrier of the Contractor. The Authorized User's trucks will also have to be certified and allowed at the terminal by the terminal owner.

6. **Marketing:** The Contractor shall market this Contract to Authorized Users. The objectives of the efforts are to raise awareness among Authorized Users that are not currently participating in the Contract; increase gallons purchased under the Contract; and maintain a positive net promotor score among contract participants. The efforts shall include, but may not be limited to:

   a. An Online Campaign to be launched 4-6 weeks after the Contract start date to include a website or portal that provides an overview of program features and benefits, information about online account management tools, and sharing of dedicated contact points for account set up and ordering;
   b. An Awareness Campaign to be launched 6 weeks after the Contract start date to include a targeted mailing campaign that provides an overview of program features and benefits, an enrollment form and links to the website or portal described above; a targeted phone campaign, and presence at the VaCO 2016 annual conference and the APWA Mid-Atlantic Annual Conference;
   c. Ongoing customer satisfaction surveys to be launched 6 weeks after Contract start date to include monthly surveys of all customers with a touchpoint in the previous month, measurement on the outcomes of the touchpoints, and monthly reporting to include the number of new enrollments and the net promoter score; and,
   d. Identifying and following up with Authorized Users that have a drop of 30% in the ordered fuel volume over the same month of the previous year to determine the reason for the decrease and implement corrective actions that may retain the customer. The Contractor shall report its results to OFMS on a monthly basis.

N. TRANSITION OF SERVICES: The Contractor shall designate a Project Manager responsible for the transition of services. The Project Manager shall meet with OFMS within ten (10) working days after the contract award date to discuss and jointly finalize the transition plan for the transfer of responsibilities associated with the statewide bulk motor fuel program. The Contractor shall ensure that, as so far as is in its power, the designated Project Manager remains on the project throughout the transition. If a change is made to the Project Manager after award is made, the Contractor must provide a replacement with qualifications that are reasonably equal to or better than the Project Manager who is being replaced. OFMS, at its sole discretion, may request changes to key personnel, including the Project Manager.

During the transition period, the Contractor shall submit a report to OFMS, no less than bi-weekly, which summarizes the services provided to the Commonwealth.

The Contractor shall complete the transition and begin providing the services described herein for VDOT locations within the Staunton, Culpeper, Northern Virginia, Fredericksburg and Richmond

VDOT districts no later than December 11, 2015. This transition date is dependent on VDOT providing account set up information to the Contractor in a timely manner. DEF may not be made available to VDOT locations by this date.

The Contractor shall complete the transition and begin providing the services described herein to all other Authorized Users in the Staunton, Culpeper, Northern Virginia, Fredericksburg and Richmond VDOT districts and any sub-districts therein no later than January 6, 2016. DEF shall be made available to all Authorized Users by this date.

The Contractor shall provide orientation and training services during the transition to include, but not be limited to, the following:

a. The Project Manager and Client Relationship Manager will meet with the Contract Administrator to come to an agreement on the number of training sessions to be held;
b. Finalize the training materials and review them with the Contract Administrator;
c. Schedule training sessions with Authorized User to be transitioned;
d. Send electronic copies of training materials to each Authorized User to be transitioned as well as post the training materials on the Systems Technology;
e. Provide the training via Webinar. The Contractor's Customer Relationship Manager(s), CRM(s), shall facilitate the training;
f. Provide reporting on which Authorized Users attended the training;
g. Make the CRM(s) available to provide additional ad hoc training to Authorized Users upon their request; and,
h. Follow up with the primary contact for each Authorized User at intervals of 30, 60, and 90 days after onboarding to ensure their training needs have been met and provide other customer service as needed.

O. TAXES: Authorized users may be exempt from federal, state and/or local taxes on motor fuels and will present their tax exempt certificates to the Contractor upon request. Therefore, purchases against this contract shall usually be free of Federal excise and transportation taxes as well as state and/or local taxes.

The Contractor shall add any applicable taxes as a separate line item to each invoice submitted to an Authorized User, and each applicable tax (e.g. federal, state, local, or otherwise) must be separately identified on the invoice so that Authorized Users may assess the accuracy of such imposed taxes.

1. **After Imposed Tax:** After imposed tax shall be defined as any new or increased federal, state and/or local tax, except social security or other employment taxes, on motor fuel purchased under this contract that takes effect after the date of contract award and which the Contractor is required to pay.

   The price for bulk motor fuels provided under this contract may be increased by the Contractor by the amount of any after imposed tax only if the Contractor has stated in writing that the price does not include any contingency for such after imposed tax. Such increase shall only be allowed after written notice by the Contractor to OFMS and take effect only after such written notice or the date the after imposed tax becomes effective, whichever occurs last.

2. **After Relieved Tax:** After relieved tax shall be defined as relief from or decrease to any federal, state and/or local tax, except social security or other employment taxes, that would otherwise have been payable on motor fuel purchased under this contract that takes effect after the date of contract award and which the Contractor is not required to pay, or for which the Contractor obtains a refund.

   The price for bulk motor fuels under this contract shall be decreased by the Contractor by the amount of any after relieved tax on the date the after relieved tax becomes effective.

II. PRICING SCHEDULE

A. BULK MOTOR FUEL: The price for the bulk motor fuel shall be the Oil Price Information Service (OPIS) Closing Average Wholesale Rack Report gross price published at 5:59 P.M. for the day the bulk motor fuel is delivered and for the terminal identified in the table below for that delivery location. If it should occur that the OPIS publication is not published for any given day, then the previous day's publication shall be used to determine the daily price.

The Contractor will then add the applicable market differentials, fees and taxes, less any discounts or incentives, for the total price to be invoiced to the Authorized User.

Table 1
Market Differential Charge per Gallon for Gasoline Products

District	Terminal	Gasoline 8401 - 8500 gallons	Gasoline 6000 - 8400 gallons	Gasoline 4000 - 5999 gallons	Gasoline 0 - 3999 gallons
Culpeper - Charlottesville, UVA	Richmond	0.0856	0.0906	0.0956	0.1596
Culpeper - All Other Cities and Counties	Fairfax	0.0691	0.0741	0.0791	0.1431
Fredericksburg - Fredericksburg, Spotsylvania, Stafford	Richmond	0.0591	0.0641	0.0691	0.1381
Fredericksburg - All Other Cities and Counties	Richmond	0.0591	0.0641	0.0691	0.1381
Northern Virginia - Alexandria, Arlington	Fairfax	0.0597	0.0647	0.0697	0.1337
Northern Virginia - Fairfax, Loudoun	Fairfax	0.0617	0.0667	0.0717	0.1407

Northern Virginia - All Other Cities and Counties	Fairfax	0.0697	0.0747	0.0797	0.1487
Richmond - Dinwiddie, Hopewell, Petersburg, Prince George	Richmond	0.0563	0.0613	0.0663	0.1253
Richmond - Chesterfield, Colonial Heights, Henrico, Richmond	Richmond	0.0631	0.0681	0.0731	0.1371
Richmond - All Other Cities and Counties	Richmond	0.0661	0.0711	0.0761	0.1451
Staunton	Roanoke	0.1075	0.1125	0.1175	0.1815

The market differential shall be inclusive of the Contractor's costs and margins, including freight.

Table 2
Market Differential Charge per Gallon for Diesel Products

District	Terminal	Diesel 7401 - 7500 gallons	Diesel 5000 - 7401 gallons	Diesel 3000 - 4999 gallons	Diesel 0 - 2999 gallons
Culpeper - Charlottesville, UVA	Richmond	0.0881	0.0956	0.1481	0.1611
Culpeper - All Other Cities and Counties	Fairfax	0.0660	0.0735	0.1260	0.1390
Fredericksburg - Fredericksburg, Spotsylvania, Stafford	Richmond	0.0350	0.0425	0.1000	0.1130
Fredericksburg - All Other Cities and Counties	Richmond	0.0590	0.0665	0.1240	0.1370
Northern Virginia - Alexandria, Arlington	Fairfax	0.0574	0.0649	0.1174	0.1304

Northern Virginia - Fairfax, Loudoun	Fairfax	0.0594	0.0669	0.1244	0.1374
Northern Virginia - All Other Cities and Counties	Fairfax	0.0686	0.0761	0.1336	0.1466
Richmond - Dinwiddie, Hopewell, Petersburg, Prince George	Richmond	0.0538	0.0613	0.1088	0.1218
Richmond - Chesterfield, Colonial Heights, Henrico, Richmond	Richmond	0.0588	0.0663	0.1188	0.1318
Richmond - All Other Cities and Counties	Richmond	0.0680	0.0755	0.1330	0.1460
Staunton	Roanoke	0.1050	0.1125	0.1650	0.1780

The market differential shall be inclusive of the Contractor's costs and margins, including freight.

Table 3
Fees Associated with Bulk Motor Fuel Delivery

Name	Description	Price
Pump Fee	To be charged when transport trucks must make deliveries to above ground storage tanks.	$100
Split Order Fee	To be charged when transport trucks make deliveries to multiple Authorized User's locations on different properties no more than 25 miles apart. The fee will be charged per each location that a delivery is made to.	$35
Minimum Order Fee	To be charged on orders of 500 gallons or less.	$75
Diversion Fee	To be charged when orders are cancelled with less than 4 hours' notice.	$125
Same Day Delivery Fee	To be charged when the Authorized User requests delivery with less than 24 hours' notice	$125
Weekend or Holiday Delivery Fee	To be charged when delivery is requested to take place on a weekend or Commonwealth recognized state holiday.	$125
Demurrage Fee	To be charged for every 15 full minute interval after the end of the delivery window or the cut off at the end of normal business hours when the carrier is required to wait for the Authorized User at the delivery location. The total fee shall not exceed $150.	$18.75

Table 4
Additive Charge per Gallon

Name	Price per Gallon
Summer Additive #138QS	0.0100
Winter Additive #138QW	0.0250

B. TANK MONITORING AND INVENTORY MANAGEMENT DISCOUNT: Authorized Users that opt to set up automatic deliveries via tank monitoring and inventory management shall receive a discount of $0.0050 per gallon for all tank wagon deliveries.

C. EMERGENCY PRICING: In the event of demand spikes, regional or industry wide bulk motor fuel shortages, urgent need, state declared emergencies, or catastrophe, which may be collectively referred to herein as an "Event," and when fuel is not available from the designated terminal and upon the Contractor's demonstration to the Authorized User's satisfaction, as approved in writing, that the event has had or will have a measurable impact on costs during the event, the Contractor may charge the OPIS Closing Average Wholesale Rack Report gross price published at 5:59 P.M. for the day the bulk motor fuel is delivered for the nearest alternate terminal city plus the Market Differential normally applied for that fuel type for the terminal assigned to that Authorized User, as described in Tables 1 and 2 above, plus the mileage rate per mile for the shortest possible distance to be traveled by the Contractor to deliver the fuel to the Authorized User, as described in the Table 5, below.

Table 5
Mileage Rate Table

Mileage		Gasoline	Diesel
From	To	Price per Gallon	Price per Gallon
0.0	15.0	0.0244	0.0260
15.1	20.0	0.0257	0.0276
20.1	25.0	0.0271	0.0302
25.1	30.0	0.0298	0.0337
30.1	35.0	0.0329	0.0373
35.1	40.0	0.0345	0.0392
40.1	45.0	0.0362	0.0411
45.1	50.0	0.0381	0.0432
50.1	55.0	0.0400	0.0454
55.1	60.0	0.0421	0.0487
60.1	65.0	0.0443	0.0502
65.1	70.0	0.0465	0.0520
70.1	75.0	0.0490	0.0556
75.1	80.0	0.0513	0.0583
80.1	85.0	0.0539	0.0611
85.1	90.0	0.0567	0.0644
90.1	95.0	0.0597	0.0677
95.1	100.0	0.0627	0.0712
100.1	105.0	0.0658	0.0747
105.1	110.0	0.0690	0.0783

110.1	115.0	0.0721	0.0819
115.1	120.0	0.0753	0.0855
120.1	125.0	0.0784	0.0890
125.1	130.0	0.0816	0.0926
130.1	135.0	0.0847	0.0962
135.1	140.0	0.0879	0.1019
140.1	145.0	0.0910	0.1033
145.1	150.0	0.0942	0.1069
150.1	155.0	0.0973	0.1104
155.1	160.0	0.1005	0.1140
160.1	165.0	0.1036	0.1177
165.1	170.0	0.1068	0.1213
170.1	175.0	0.1099	0.1249
175.1	180.0	0.1152	0.1301
180.1	185.0	0.1210	0.1359
185.1	190.0	0.1265	0.1414
190.1	195.0	0.1320	0.1469
195.1	200.0	0.1375	0.1525
200.1	205.0	0.1430	0.1580
205.1	210.0	0.1485	0.1635
210.1	215.0	0.1540	0.1690
215.1	220.0	0.1595	0.1745
220.1	225.0	0.1651	0.1800
225.1	230.0	0.1706	0.1855
230.1	235.0	0.1761	0.1910
235.1	240.0	0.1816	0.1966
240.1	245.0	0.1871	0.2021
245.1	250.0	0.1926	0.2076
250.1	255.0	0.1981	0.2131
255.1	260.0	0.2036	0.2186
260.1	265.0	0.2092	0.2241
265.1	270.0	0.2144	0.2294
270.1	275.0	0.2197	0.2346
275.1	280.0	0.2249	0.2399
280.1	285.0	0.2302	0.2451
285.1	290.0	0.2354	0.2504
290.1	295.0	0.2407	0.2556
295.1	300.0	0.2459	0.2609

D. OTHER PRODUCTS AND SERVICES

1. **Unattended Cardlock Fuel Site Network:** The Contractor shall provide an additional discount of $0.03 per gallon off of the retail price posted at the fueling site.

2. **Tank Cleaning:** Tank cleaning Services shall be provided to Authorized Users at the Contractor's cost. A quote shall be provided by the Contractor and agreed to in writing by the Authorized User prior to delivery of any Products or Services.

Table 6
Single Vacuum Truck Tank Cleaning

Fee Description	Cost
On-Site Hourly Rate	$100
Contaminated Liquid Disposal Fee	$0.35 per gallon
Sludge Disposal Fee	$1.35 per gallon

Table 7
Two Vacuum Truck Tank Cleaning

Fee Description	Cost
On-Site Hourly Rate	$315
Contaminated Liquid Disposal Fee	$0.35 per gallon
Sludge Disposal Fee	$1.35 per gallon

4. **Site Maintenance:** Site maintenance shall be provided at the rate of $100 per hour for work performed during normal business hours and at the rate of $150 per hour for work performed on a weekend or Commonwealth recognized state holiday.

   The available parts and prices are described in Table 8, below. Adjustments to the Listing of Available Parts, in order to add or remove parts and to adjust the price, may be allowed within 30 days of January 1 and July 1 of each calendar year. The Contractor shall demonstrate to OFMS' satisfaction that the addition or removal of any particular part is based on Authorized User(s) needs or lack thereof. Adjustments in pricing will be allowed pursuant to Section 6, entitled Price Escalation-De-Escalation, of the Contract.

Table 8
Listing of Available Parts

Part No.	Description	Price
83	1 ' X 12' Diesel Hose	$102.85
137	1 inch Swivel	$85.10
80	1 Inch Whip Hose	$41.39
213	1 inch x 12ft Hardwall Hose	$106.50
214	1 inch x 8ft Hose	$62.53
84	1 inch x18ft Diesel Hose	$180.16
6	1 Reconnectable Breakaway	$122.65
103	1" OPW DIESEL NOZZLE - 7H	$142.28
220	1" OPW Diesel Nozzle - 7HB	$142.28
135	3/4 inch Swivel	$31.00
85	3/4 inch x 18ft HW Hose	$115.00
218	3/4" OPW Diesel Nozzle - 11A	$71.01
104	3/4" OPW Diesel Nozzle - 11AP	$75.55

434	3/4" OPW Diesel Nozzle 11b	$71.01
219	3/4" OPW UNL Nozzle 11BP	$71.01
79	5/8 inch Whip Hose	$26.67
211	5/8 inch x 12 ft Hardwall Hose	$68.58
203	5/8inch 8ft Hose	$52.26
129	9800 CPU - M0633A001	$578.55
945	9800 DEF CPU Board	$950.40
127	9800 DISPLAY - C06387	$256.96
29	9800 Dual CPUM05346-A004 (New)	$524.46
951	DEF Breakaway	$365.09
987	DEF Swivel & Reconnectable B/A #21GU-SSB	$365.09
105	Healy 600 Nozzle Rebuilt	$407.03
86	Healy Hose	$163.53
81	Healy Whip Hose	$90.95
941	Petrovend K800 Hybrid Display	$673.37
939	Petrovend K800 Hybrid Mag Reader 20-4237-01	$510.34
943	Petrovend FSC-3000 Reman Main CPU Brd	$1,392.25
942	Petrovend Function Keypad 20-4258	$107.36
	Wesroc MT-9100-STD-Set tank gauge transmitter base unit and float gauge-complete set	$1,750.00
	Wesroc MT-9100 Base	$500.00
	Wesroc MT-9100 Transmitter	$300.00
	Wesroc MT-9100-96LT Float Gauge	$950.00
	Reconditioned Gasboy 9153 Mechanical Single Hose Suction Pump	$3,500.00
	Reconditioned Gasboy 9153 Mechanical Twin Hose Suction Pump	$4,000.00
	Reconditioned Gasboy 9153 Mechanical Single Hose Dispenser	$3,000.00
	Reconditioned Gasboy 9153 Mechanical Twin Hose Dispenser	$3,500.00
	OPW - Island Card Reader Petrovend # K800 Hybrid	$7,000.00
	OPW - Site Controller Petrovend # FSC3000	$4,100.00

A quote shall be provided by the Contractor and agreed to in writing by the Authorized User prior to delivery of any Products or Services.

5. **Tank Gauging Systems:** For the standard installation of above ground storage tank gauging equipment, the Contractor shall charge a flat fee of $2000 which shall be inclusive of all equipment and Services for the installation. Additional Products and Services that may

be required for device connectivity are not covered under this Contract.

6. **Diesel Exhaust Fluid:** The price for diesel exhaust fluid shall be based on the month over month change as listed in the NOLA index under the average price for Urea as published in the Bloomberg Green Markets Report. The Per Gallon Cost of Urea shall be calculated as follows:

$$\frac{\text{Monthly Average Urea Price Per Short Ton}}{\text{677 Gallons Per Short Ton Urea}} = \text{Per Gallon Cost of Urea}$$

Price changes shall be reflected in a per gallon amount and shall be effective on the first day of the month following the NOLA index publishing. Prior to the effective date of any price change, the Contractor shall submit in writing to OFMS a copy of Bloomberg Green Markets Report with the NOLA index average price for Urea and the calculation demonstrating the current Per Gallon Cost of Urea and any upward or downward adjustments thereto. This methodology shall be used for price adjustments for both bulk and packaged DEF products.

Table 9
Market Differential Charge per Gallon for Bulk DEF*

District	Market Differential
Culpeper - Charlottesville, UVA	1.1932
Culpeper - All Other Cities and Counties	1.1532
Fredericksburg - Fredericksburg, Spotsylvania, Stafford	1.1532
Fredericksburg - All Other Cities and Counties	1.1932
Northern Virginia - Alexandria, Arlington	1.1532
Northern Virginia - Fairfax, Loudoun	1.1532
Northern Virginia - All Other Cities and Counties	1.1532
Richmond - Dinwiddie, Hopewell, Petersburg, Prince George	1.1532
Richmond - Chesterfield, Colonial Heights, Henrico, Richmond	1.1532
Richmond - All Other Cities and Counties	1.1932
Staunton	1.1932

*Minimum order is 150 gallons per month.

Table 10
Price for DEF by Pack Size

Pack Size	Price
55 Gallon Drum*	$144.69 per drum
2.5 Gallon Jug**	$9.04 per jug
4 X 1 Gallon Case	$15.14 per case

*Minimum order is 2 drums. Delivery fee of $5 per order shall apply.
**Minimum order is 50 jugs. Delivery fee of $5 per order shall apply.

For DEF purchased at unattended cardlock fuel sites, the Contractor shall provide an additional discount of $0.03 per gallon off of the retail price posted at the fueling site.

Standard Bulk Storage Options: 275 or 330 gallon bulk storage totes, to include pumps, shall be available for purchase at a onetime cost of $995. Bulk totes shall also be available for purchase by paying an upcharge of $0.10 per gallon over a 36 month term. Authorized users must meet the minimum bulk DEF delivery requirements to purchase via the upcharge. If DEF deliveries cease prior to the end of the 36 month term, the Contractor shall provide a quote to the Authorized User for purchase of the storage tote at the depreciated value. If the Authorized User does not opt to purchase the tote, the Contractor shall retain ownership and pick up the tote.

Non-Standard Bulk Storage Options: Authorized Users may opt to purchase large format DEF dispensing equipment through the Contractor. Installation shall be provided by the Contractor at a rate of $100 per hour for work performed during normal business hours and at a rate of $150 per hour for work performed on a weekend or Commonwealth recognized state holiday. Goods and materials shall be invoiced at the manufacturer's published retail price less a 15% discount. The Contractor shall provide OFMS with the manufacturer's price lists on approximately January 1st and July 31st of each year.

A quote shall be provided by the Contractor and agreed to in writing by the Authorized User prior to delivery of any non-standard bulk storage options. If the installation of the equipment requires construction, additional terms and conditions shall be negotiated and agreed upon between the Authorized User and the Contractor prior to the delivery of the Products and Services to insure compliance with any applicable laws and ordinances. **In the event of any conflict, the terms and conditions of this contract shall control.**

Available products include, but may not be limited to:

a. Blue1USA Brand Commercial Mini bulk dispensers which are turnkey, including integrated pump/dispenser, and are available in 500, 750, 1000, and 2,000 gallon capacities. Equipment footprint is 44" to 48" wide and will fit on fuel islands. Minimal installation is needed, however wiring to the unit may be required.

b. Semler Brand Mini bulk dispensers, which require a separate pump and dispenser to be installed, are available in 500, 100, 1,500, and 2,000 gallon capacities. The dispenser may be customized to meet the Authorized User's needs, which may include integrating a card reader.

4. **Terminal and Rack Access:** Bulk motor fuel products picked up at the terminal or rack by the Authorized User in their vehicle shall be invoiced by the Contractor as follows.

   For Gasoline products, the Contractor shall provide a discount of $0.02 per gallon off of the price listed in Table 1 for the district where the fuel is picked up and the price listed for purchases between 8,401 – 8,500 gallons.

   For Diesel products, the Contractor shall provide a discount of $0.025 per gallon off of the price listed in Table 2 for the district where the fuel is picked up and the price listed for purchases between 7,401 – 7,500 gallons.

III. REPORTING REQUIREMENTS

The Contractor shall provide OFMS with the following reports:

A. PRICE REPORT

On a daily basis, the Contractor shall submit a report to OFMS that lists the price charged for that day for each motor fuel type listed in the most current version of the Motor Fuel Products List. The report shall be in a spreadsheet with columns that can be filtered and/or sorted and that clearly show how the Contractor calculated the price that Authorized Users have been charged for each motor fuel type for that day. The report shall be submitted electronically.

B. SALES AND VOLUME REPORT

On a quarterly basis, the Contractor shall submit a report to OFMS of the invoiced sales for the previous quarter. The report shall be submitted in a spreadsheet with columns that can be sorted and/or filtered. The report must minimally include the following itemized information:

1. Purchase Order Number
2. Authorized User Entity Name
3. Zip code for Tank Location Delivered To
4. Contractor's Invoice Number
5. Contractor's Invoice Date
6. Contractor's Invoice Amount
7. Motor Fuel Type
8. Unit Price
9. Number of Gallons Delivered

The report must be delivered electronically within fifteen (15) days of the end of each of the Commonwealth's fiscal quarters.

C. AUTHORIZED USER REPORT

On a quarterly basis, the Contractor shall submit a report to OFMS that lists the currently established Authorized User accounts. The report shall clearly indicate the accounts that have been added or deleted during the previous quarter. The report must minimally include the Authorized User's entity name and address, lead contact person, and the lead contact person's phone number and email address. The report should also include the Authorized User's account number. The report must be delivered electronically within fifteen (15) days of the end

of each of the Commonwealth's business quarters.

D. UTILIZATION OF SMALL BUSINESSES AND BUSINESSES OWNED BY WOMEN AND MINORITIES

1. It is the goal of the Commonwealth that 42% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. The Contractor is encouraged to offer such subcontracting opportunities to DSBSD-certified small businesses. This shall include DSBSD-certified women-owned and minority-owned businesses when they have received DSBSD small business certification. If small business subcontractors are used, the prime Contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the DSBSD certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

2. The Contractor shall deliver to OFMS on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. Upon completion of the Contract, the Contractor agrees to furnish OFMS at a minimum the following information: name of firm with the DSBSD certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by OFMS. OFMS reserves the right to pursue other appropriate remedies for non-compliance to include, but not be limited to, termination for default.

3. Each prime Contractor who wins an award valued over $200,000 shall deliver to OFMS on a quarterly basis, information on use of subcontractors that are not DSBSD-certified small businesses. Upon completion of the Contract, the Contractor agrees to furnish OFMS at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.

E. SUR-CHARGE ADJUSTMENT (SCA)

The Contractor shall pay the Department of General Services (DGS) a Surcharge Adjustment Fee (SCA) under this Contract. The Contractor must remit the fee within 30 days after the end of each quarterly reporting date. The first quarterly payment may be submitted at the end of the first calendar quarter of 2016 and shall be inclusive of all gallons delivered under this Contract up to that point in time. The SCA fee equals $0.01 per gallon of the total gallons delivered as reported quarterly. The SCA fee amount due must be paid by check with identification of "Contract number," "report amounts," and "report period," on either the check stub or other remittance material. DGS may at its discretion, agree to an electronic funds transfer, in lieu of a check; however in the absence of an express written agreement from DGS that validates the agreement, the payment shall be made by check as described herein.

- Checks are to be payable to: **Treasurer of Commonwealth of Virginia**
- Note in the Memo portion of the check that it is **for SCA fees & the Quarter for which it is being paid, the contract number** & mail to:

DGS/Div. of Purchases & Supply
Attn: SCA Coordinator
P.O. Box 1199
Richmond, VA 23218

Failure to submit timely payments as described above may result in cancellation of the awarded contract.

IV. INVOICING AND PAYMENT

A. INVOICES

The Contractor shall issue all invoices directly to the Authorized User after all Products and/or Services covered by the invoice have been provided. The Contractor may issue invoices for each individual order or on a set schedule (i.e. weekly, monthly, or otherwise) pursuant to the issuance of a blanket purchase order as may be agreed to by the Authorized User. The Contractor shall provide, at a minimum, the following information on each invoice:

1. Name of Authorized User (the ordering entity)
2. Authorized User point of contact name
3. Description of the Products and/or Services provided
4. Invoice number
5. Invoice date
6. Itemized quantities, unit price and extended price
7. Contract Number
8. Purchase Order Number

The Contractor shall issue invoices to the Authorized User in accordance with the instructions contained in their purchase order.

B. PAYMENT

1. **State Agencies and Institutions**

   Payment will be made within thirty (30) days of receipt of a valid invoice or the receipt of the Products and/or Services, whichever occurs last.

2. **Other Authorized Users**

   Speed of payment terms and method of payment shall be agreed upon by the Contractor and any other Authorized User at the time of account set up and pursuant to the regular payment requirements and practices of the Authorized User.

V. DGS POINTS OF CONTACT

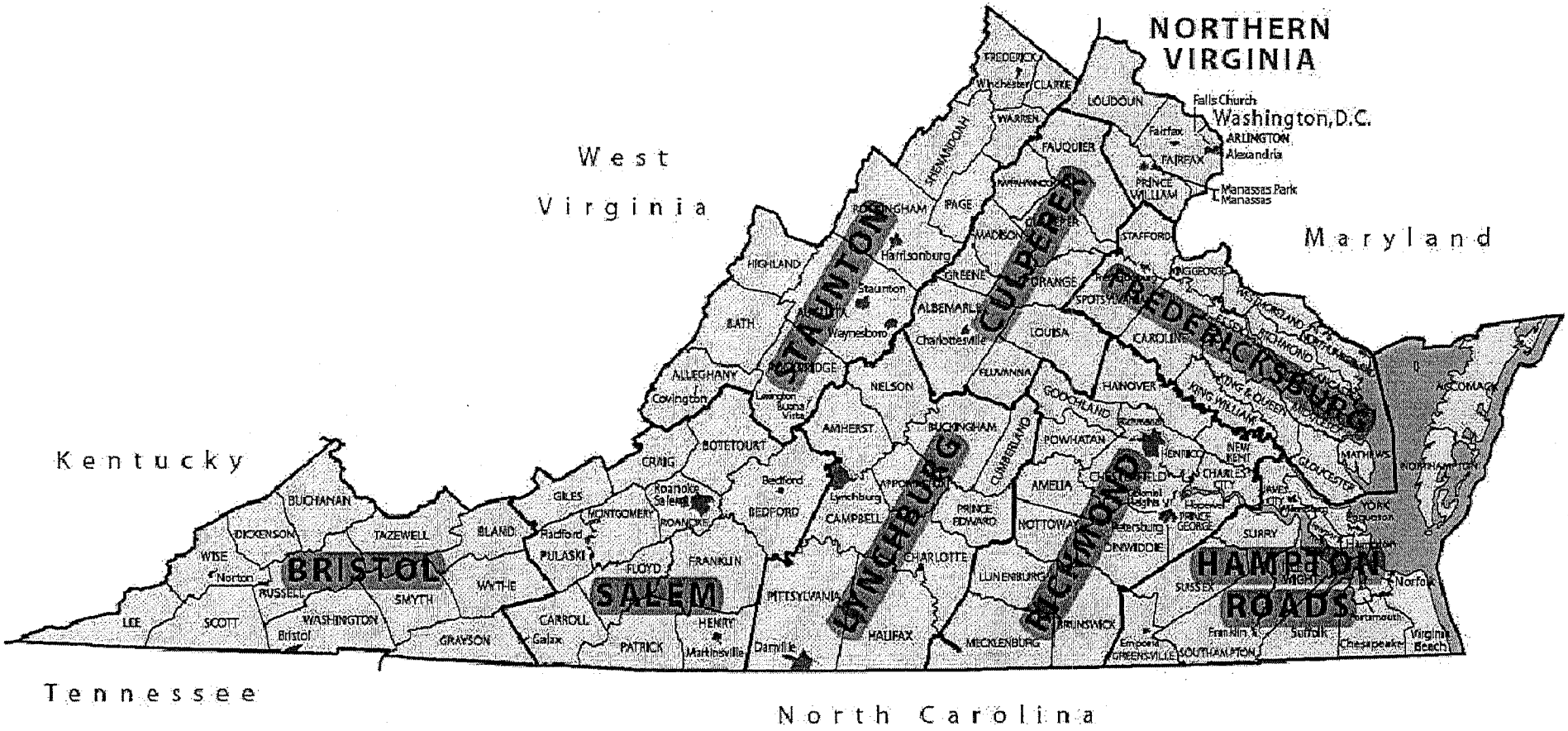
Contract Administration/Compliance
Adam Phillips, Contract Officer
Division of Purchases and Supply
1111 East Broad Street
Richmond, VA 23219
Tel: 804-786-0078
Fax: 804-786-5413
Email: adam.phillips@dgs.virginia.gov

Contract Information/Usage
Carl Loveland, Business Manager
Office of Fleet Management Services
2400 West Leigh Street
Richmond, VA 23220
Tel: 804-367-4352
Fax: 804-367-8987
Email: carl.loveland@dgs.virginia.gov

VI. CONTRACTOR POINTS OF CONTACT

Primary Contact
Erin Rogalla, Client Relationship Manager
1701 Fall Hill Avenue, Suite 200
Fredericksburg, VA 22401
Tel.: 855-242-5090 ext. 8104
Email: erogalla@quarlesinc.com

APPENDIX A
FUEL DISTRICT MAP



APPENDIX B
MOTOR FUEL PRODUCTS LIST

The following specifications are intended to define the minimum level of quality and performance of the bulk motor fuel products, and shall be met or exceeded.

I. 87 GASOLINE

A. General: This specification describes an automotive fuel suitable for use in ground vehicles equipped with spark-ignition engines.

The fuel furnished under this specification shall meet the performance requirements described in the current edition of ASTM designation D 4814 for automotive spark-ignition engine fuel. Conformance of the fuel with the performance requirements shall be determined in accordance with the test methods identified in ASTM D 4814. The fuel delivered must meet the requirements of federal reformulated gasoline as required by the EPA. In case of contradiction with previous portions of this specification, the EPA requirements shall take precedence.

B. Properties: Fuel shall conform to the following chemical and physical detailed requirements:

Property	ASTM Test Method(s)	Value
Antiknock Index, min, (RON+MON)/2	D 2885	87
Lead Content, max, g/L (g/gal)	D 3116, D 3237, or D 5059	0.013 (0.05)
Phosphorus g/L (g/gal)	D 3231	0.0013 (0.005)
Copper strip corrosion rating, max. 3h at 50°C (122°F)	D 130	No. 1
Solvent-washed gum content, max, mg/100mL	D 381	5
Sulfur, max, mass %	D 1266, D 2622, or D 3120	0.10
Oxidation Stability, min, minutes	D 525	240
Phase Separation, max, °C (°F)	D 4814 Annex A1	-8 (18)

C. Volatility: The volatility of the fuel shall be in accordance with the following table:

Month	*Vapor Pressure Distillation Class*	*Vapor Lock Protection Class*
Jan	E	5
Feb	E or D	4 or 5
Mar	D	4
Apr	A, B, C, or D	3 or 4

May	A	3
Jun	A	3
Jul	A	3
Aug	A	3
Sep 1-15	A	3
Sep 16-30	A, B, or C	3
Oct	C or D	3 or 4
Nov	D or E	4 or 5
Dec	E	5

D. Reformulated Gasoline*: In the following areas, the fuel delivered must meet the requirements of federal reformulated gasoline as required by the EPA. In case of contradiction with previous portions of this specification, the EPA requirements shall take precedence.

The areas affected are as follows:

1. Northern Virginia:

Arlington County	Alexandria
Fairfax County	Fairfax
Loudon County	Falls Church
Prince William County	Manassas
Stafford County	Manassas Park

2. Richmond:

Chesterfield County	Colonial Heights
Hanover County	Hopewell
Henrico County	Richmond
Charles City County	

3. Hampton Road:

James City County	Poquoson
York County	Portsmouth
Chesapeake	Suffolk
Hampton	Virginia Beach
Newport News	Williamsburg
Norfolk	

* Anhydrous Ethanol, not to exceed 10% total volume, may be substituted for MTBE.

E. Conformance: To confirm conformance with the ASTM performance requirements, the Contractor must be able to provide either published literature or certification from an independent laboratory proving that the fuel has passed the ASTM test requirements described above. The certification shall indicate that the furnished fuel has passed the criteria listed in the ASTM D 4814 specification, list the resultant values of each required test, and compare those values with the required ASTM performance criteria.

II. 89 GASOLINE

A. General: This specification describes an automotive fuel suitable for use in ground vehicles equipped with spark-ignition engines.

The fuel furnished under this specification shall meet the performance requirements described in the current edition of ASTM designation D 4814 for automotive spark-ignition engine fuel. Conformance of the fuel with the performance requirements shall be determined in accordance with the test methods identified in ASTM D 4814.

B. Properties: Fuel shall conform to the following chemical and physical detailed requirements:

Property	ASTM Test Method(s)	Value
Antiknock Index, min, (RON+MON)/2	D 2885	89
Lead Content, max, g/L (g/gal)	D 3116, D 3237, or D 5059	0.013 (0.05)
Phosphorus g/L (g/gal)	D 3231	0.0013 (0.005)
Copper strip corrosion rating, max. 3h at 50°C (122°F)	D 130	No. 1
Solvent-washed gum content, max, mg/100mL	D 381	5
Sulfur, max, mass %	D 1266, D 2622, or D 3120	0.10
Oxidation Stability, min, minutes	D 525	240
Phase Separation, max, °C (°F)	D 4814 Annex A1	-8 (18)

C. Volatility: The volatility of the fuel shall be in accordance with the following table:

Month	Vapor Pressure Distillation Class	Vapor Lock Protection Class
Jan	E	5
Feb	E or D	4 or 5
Mar	D	4
Apr	A, B, C, or D	3 or 4
May	A	3
Jun	A	3
Jul	A	3
Aug	A	3
Sep 1-15	A	3
Sep 16-30	A, B, or C	3
Oct	C or D	3 or 4
Nov	D or E	4 or 5
Dec	E	5

D. Reformulated Gasoline*: In the following areas, the fuel delivered must meet the requirements of federal reformulated gasoline as required by the EPA. In case of contradiction with previous portions of this specification, the EPA requirements shall take precedence.
The areas affected are as follows:

1. **Northern Virginia**:

Arlington County	Alexandria
Fairfax County	Fairfax
Loudon County	Falls Church
Prince William County	Manassas
Stafford County	Manassas Park

2. **Richmond**:

Chesterfield County	Colonial Heights
Hanover County	Hopewell
Henrico County	Richmond
Charles City County	

3. **Hampton Road**:

James City County	Poquoson
York County	Portsmouth
Chesapeake	Suffolk
Hampton	Virginia Beach
Newport News	Williamsburg
Norfolk	

* Anhydrous Ethanol, not to exceed 10% total volume, may be substituted for MTBE

E. Conformance: To confirm conformance with the ASTM performance requirements, the Contractor must be able to provide either published literature or certification from an independent laboratory proving that the fuel has passed the ASTM test requirements described above. The certification shall indicate that the furnished fuel has passed the criteria listed in the ASTM D 4814 specification, list the resultant values of each required test and compare those values with the required ASTM performance criteria.

III. 93 GASOLINE

A. General: This specification describes an automotive fuel suitable for use in ground vehicles equipped with spark-ignition engines.

The fuel furnished under this specification shall meet the performance requirements described in the current edition of ASTM designation D 4814 for automotive spark-ignition engine fuel. Conformance of the fuel with the performance requirements shall be determined in accordance with the test methods identified in ASTM D 4814.

B. Properties: Fuel shall conform to the following chemical and physical detailed requirements:

Property	ASTM Test Method(s)	Value
Antiknock Index, min, (RON+MON)/2	D 2885	93
Lead Content, max, g/L (g/gal)	D 3116, D 3237, or	0.013 (0.05)

	D 5059	
Phosphorus g/L (g/gal)	D 3231	0.0013 (0.005)
Copper strip corrosion rating, max. 3h at 50°C (122°F)	D 130	No. 1
Solvent-washed gum content, max, mg/100mL	D 381	5
Sulfur, max, mass %	D 1266, D 2622, or D 3120	0.10
Oxidation Stability, min, minutes	D 525	240
Phase Separation, max, °C (°F)	D 4814 Annex A1	-8 (18)

C. Volatility: The volatility of the fuel shall be in accordance with the following table:

Month	Vapor Pressure Distillation Class	Vapor Lock Protection Class
Jan	E	5
Feb	E or D	4 or 5
Mar	D	4
Apr	A, B, C, or D	3 or 4
May	A	3
Jun	A	3
Jul	A	3
Aug	A	3
Sep 1-15	A	3
Sep 16-30	A, B, or C	3
Oct	C or D	3 or 4
Nov	D or E	4 or 5
Dec	E	5

D. Reformulated Gasoline*: In the following areas, the fuel delivered must meet the requirements of federal reformulated gasoline as required by the EPA. In case of contradiction with previous portions of this specification, the EPA requirements shall take precedence.

The areas affected are as follows:

1. Northern Virginia:

Arlington County	Alexandria
Fairfax County	Fairfax
Loudon County	Falls Church
Prince William County	Manassas
Stafford County	Manassas Park

2. Richmond:

Chesterfield County	Colonial Heights
Hanover County	Hopewell
Henrico County	Richmond

Charles City County

3. **Hampton Road**:

James City County	Poquoson
York County	Portsmouth
Chesapeake	Suffolk
Hampton	Virginia Beach
Newport News	Williamsburg
Norfolk	

* Anhydrous Ethanol, not to exceed 10% total volume, may be substituted for MTBE

E. Conformance: To confirm conformance with the ASTM performance requirements, the Contractor must be able to provide either published literature or certification from an independent laboratory proving that the fuel has passed the ASTM test requirements described above. The certification shall indicate that the furnished fuel has passed the criteria listed in the ASTM D 4814 specification, list the resultant values of each required test and compare those values with the required ASTM performance criteria.

IV. STANDARD ULTRA LOW SULFUR DIESEL (ULSD) FUELS

The fuel shall be a light middle or middle distillate grade diesel fuel conforming to Specification ASTM D- 975 grades No. 1-D and No. 2-D containing no more than 15 parts per million of sulfur. **The diesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, Health, local, state, and federal rules, regulations, specifications, codes and requirements.** Diesel fuel supplied must be free from contamination.

A. Properties: Fuel shall conform to the following chemical and physical detailed requirements:

Property	ASTM Test Method(s)	Grade No. 1-D Value	Grade No. 2-D Value
Flash Point °C, min.	D93	38	52
Water and Sediment, % vol, max	D2709	0.05	0.05
Distillation Temp., °C90 %, % vol recovered	D86		
Min		...	282
Max		288	338
Kinematic Viscosity, mm^2/S at 40°C	D445		
Min		1.3	1.9
Max	...	2.4	4.1
Ash % mass, max	D482	.01	.01
Sulfur, ppm (µg/g) max	D5453	15	15
Copper strip corrosion rating, max. (3h at a minimum control temp of 50°C)	D130	No. 3	No. 3
Cetane number, min	D613	40	40

One of the following properties must be met:

(1) Cetane Index, min	D976-80	40	40
(2) Aromaticity, % vol, max	D1319	35	35
Operability Requirements			
Cloud point, °C, max or	D2500	See Note*	See Note*
LTFT/CFPP, °C, max	D4539/D6371		
Ramsbottom carbon residue on 10 % distillation residue, % mass, max	D524	.15	.15
Lubricity, HFRR @ 60 °C, micron, max	D6079/D7688	520	520
Conductivity, pS/m or Conductivity Units, min	D2624/D4308	25	25

* Note: Appropriate low temperature operability properties should be agreed upon between the fuel supplier and purchaser for the intended use and expected ambient temperatures. Tenth percentile minimum air temperatures for US locations are provided in ASTM D975-13a Appendix X5 and may be used as a means of estimating expected regional temperatures

B. Biodiesel B-2

The fuel shall be a light middle or middle distillate grade diesel fuel conforming to Specification ASTM D- 975 grades No. 1-D and No. 2-D containing no more than 15 parts per million of sulfur and as an additive two parts by volume of B-100 conforming to ASTM D-6751 and containing no more than 15 parts per million sulfur. **The B-2 biodiesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, Health, local, state, and federal rules, regulations, specifications, codes and requirements.** The fuel supplied must be free from contamination.

C. Biodiesel B-5

The fuel shall be a light middle or middle distillate grade diesel fuel conforming to Specification ASTM D- 975 grades No. 1-D and No. 2-D containing no more than 15 parts per million of sulfur and as an additive five parts by volume of B-100 conforming to ASTM D-6751 and containing no more than 15 parts per million sulfur. **The B-5 biodiesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, Health, local, state, and federal rules, regulations, specifications, codes and requirements.** The fuel supplied must be free from contamination.

D. Biodiesel B-20

The fuel shall be comprised of 20 parts B-100 biodiesel as conforming to specification ASTM D-6751 blended with 80 parts light middle or middle distillate grade diesel fuel conforming to Specification ASTM D-975 grades No. 1-D and No. 2-D containing no more than 15 parts per million of sulfur. The light middle or middle distillate grade diesel fuel whose sulfur level, aromatic level, cetane, or lubricity falls outside of Specification ASTM D-975 may be blended with biodiesel meeting Specification ASTM D-6751, provided the finished mixtures meets the requirements of D-7467. **The B-20 biodiesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, Health, local, state, and federal rules, regulations, specifications, codes and requirements.** The fuel supplied must be free from contamination.

V. PREMIUM ULTRA LOW SULFUR DIESEL (ULSD) FUELS

The fuel shall be a light middle or middle distillate grade diesel fuel conforming to the Joint EMA/TMC Pump Grade Specification for Premium Diesel Fuel, containing no more than 15 parts per million of sulfur. **The diesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, Health, local, state, and federal rules, regulations, specifications, codes and requirements.** Diesel fuel supplied must be free from contamination.

A. Properties: Fuel shall conform to the following chemical and physical detailed requirements as recommended by the Engine Manufactures Association and The Maintenance Council:

Property	Test Method(s)*	Value
API Gravity max**	D287	39
BTU Content**, gross min	D2382	136,000
Cloud Point, ^{0}C	D2500	4^0 C Below 10th Percentile minimum ambient temp
LTFT	D8453	4^0 C Below 10th Percentile minimum ambient temp
Cetane Index min	D4737	45
Cetane Number min	D613	50
Lubricity or	D6078 D6079	3100g. MIN. 0.45mm dia. wear scar, max. @ 60^0 C
Detergency	L10 Injector Deposit Test	CRC Rating </= 10 % Flow Loss </= 6
Water, PPM max	D1744	200
Sediment, G/M^3 max or Sediment, MG/L max	D6217 D2276, D5452	10 10
Bacteria and Fungus	***	0 cfu/ml
Accelerated Thermal Stability	OCTEL, F21	80% Reflectance
Distillation, ^{0}C 10% 50% 90% 95%	D86	 Report Report 332 max 355 max
Sulfur, WT% max	D2262	0.05 or legal
Copper Corrosion max	D130	3b
Flash Point, ^{0}C, min**	D92	52^0 C or legal (38^0 C for winter)

Aromatics, Vol %	D1319	legal
Viscosity, cST @ 100^0 F (40^0 C)**	D445	1.9 – 4.1 (1.7 for winter)
Ramsbottom Residue, % max	D524	0.15
Ash Content, % WT max	D482	0.01
Appearance	D4176	2 or less and no visible free water or sediment

* Numbers preceded by a 'D' refer to ASTM Standards
** In Extreme cold climate conditions described by ASTM 10th percentile temperatures below -10C in December, January and February, the gravity, BTU, flash point and viscosity specification may be waved and the flash point and viscosity may deviate to the indicated values to achieve the desired cold flow performance.
*** Appropriate test procedures for bacteria and fungus are available from the American Society for Microbiology (ASM)

B. Premium Biodiesel B-2

The fuel shall be a light middle or middle distillate grade diesel fuel conforming to the Joint EMA/TMC Pump Grade Specification for Premium Diesel Fuel, containing no more than 15 parts per million of sulfur and as an additive two parts by volume of B-100 conforming to ASTM D-6751 and containing no more than 15 parts per million sulfur. **The premium B-2 biodiesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, Health, local, state, and federal rules, regulations, specifications, codes and requirements.** The fuel supplied must be free from contamination.

C. Premium Biodiesel B-5

The fuel shall be a light middle or middle distillate grade diesel fuel conforming to the Joint EMA/TMC Pump Grade Specification for Premium Diesel Fuel, containing no more than 15 parts per million of sulfur and as an additive five parts by volume of B-100 conforming to ASTM D-6751 and containing no more than 15 parts per million sulfur. **The premium B-5 biodiesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, Health, local, state, and federal rules, regulations, specifications, codes and requirements.** The fuel supplied must be free from contamination.

D. Premium Biodiesel B-20

The fuel shall be comprised of 80 parts light middle or middle distillate grade diesel fuel conforming to the Joint EMA/TMC Pump Grade Specification for Premium Diesel Fuel blended with 20 parts B-100 biodiesel conforming to specification ASTM D-6751. The blend will contain no more than 15 parts per million of sulfur. **The premium B-20 biodiesel fuel furnished must comply with all applicable NBAC, ANSI, ASTM, EPA, Fuel Authority, OSHA, Health, local, state, and federal rules, regulations, specifications, codes and requirements.** The fuel supplied must be free from contamination.

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