

Office of General Services
New York State Procurement
Corning Tower Building
Empire State Plaza
Albany, New York 12242
<http://nyspro.ogs.ny.gov>

PURCHASING MEMORANDUM

CONTRACT AWARD NOTIFICATION UPDATE

AWARD NUMBER: [22683](#)

DATE: September 17, 2014

GROUP: 05600 – Gasoline & E-85(Statewide)

**PLEASE ADDRESS INQUIRIES TO:
STATE AGENCIES & CONTRACTORS**

Christopher M. Martinez
Contract Management Specialist
(518)474-3856
christopher.martinez@ogs.ny.gov

CONTRACT PERIOD: September 20, 2013 -
December 18, 2014

OTHER AUTHORIZED USERS

Customer Services
(518) 474-6717
customer.services@ogs.ny.us

CONTRACTORS / GLOBAL MONTELLO GROUP CORP. / PC66184

CONTRACT NOS: MAIN BROS. OIL CO. INC.

D/B/A MAIN CARE ENERGY / PC66185

MANSFIELD OIL COMPANY OF GAINESVILLE

D/B/A MANSFIELD OIL COMPANY / PC66186

MIRABITO HOLDINGS INC.

D/B/A MIRABITO ENERGY PRODUCTS / PC66187

MX PETROLEUM CORP. / PC66188

NOCO ENERGY CORP. / PC66189

SPRAGUE OPERATING RESOURCES LLC / PC66190

SUPERIOR PLUS ENERGY SERVICES, INC.

D/B/A GRIFFITH ENERGY / PC66191

UNITED METRO ENERGY CORP. / PC66192

VALLEY OIL CO. INC. / PC66193

SUBJECT: CHANGE IN INDEX USED FOR PRICE ADJUSTMENTS

TO ALL STATE AGENCIES AND OTHERS AUTHORIZED TO USE STATE CONTRACTS:

Please be advised that effective September 15, 2014 the Oil Price Information Service (OPIS) has discontinued publishing price information for conventional unleaded gasoline the "N.Y. Harbor Barge Weekly Average" index. Effective September 16, 2014, price updates for the above referenced award will be calculated using the "Linden Weekly Average" index for regular gasoline, mid-grade gasoline, and premium gasoline. OGS NYSPRO has confirmed with OPIS that the "Linden Weekly Average" index is a continuation of the "NY Harbor Barge Weekly Average" index; therefore it has been selected as the index for price revisions. The index for RBOB and Pre RBOB is unchanged.

With the incorporation of the new index, the PRICE REVISIONS clause of the above referenced contract has been updated. The amended clause is as follows:

PRICE REVISIONS

Bid prices shall be firm except that price revisions will be permitted in accordance with the following procedure:

Revisions to the original contract price shall be based on prices published in the OIL PRICE INFORMATION SERVICE (OPIS) under the heading In Cash Markets, weekly average Spot report under “Linden Weekly Average” for all types of conventional unleaded gasoline, “N.Y. Harbor Spot Barge Weekly Average” for RBOB and Pre RBOB, and Ethanol Spot Market Prices (New York) for ethanol.

The weekly average of the daily high and low prices shown in the publication for each of the three conventional unleaded gasoline fuel types, RBOB, PreRBOB and Ethanol will be used to compute price revisions during the contract period. NYSPRO will compute any price revisions by determining the difference between the weekly average of the daily high and low prices (base prices) for the “N.Y. Harbor Spot Barge Weekly Average” published on May 6, 2013 and the weekly average of the daily high and low prices for both the “Linden Weekly Average” (for conventional unleaded gasoline) and “N.Y. Harbor Spot Barge Weekly Average” (for RBOB and Pre RBOB) published on Monday every week during the contract period beginning with the publication of September 23, 2013. This differential (adjustment) + or - will be added to the base bid prices. Applicable price changes will be effective as of the start of business on the Friday immediately preceding the day of publication. Generally, the weekly average published in OPIS represents a 5-day average of high and low prices; however, as holidays occur which would eliminate a given daily range of prices, the weekly average may represent less than a 5-day average. Regardless of the number of days represented in the weekly average, the published weekly average will be utilized as the basis for price revisions. Final price shall be calculated by applying the above stated price revision to the base bid price.

The State reserves the right to change to a daily, bi-weekly or monthly schedule in price revisions if the market conditions so warrant.

Should postings differ from current description and/or format, a posting determined by the Commissioner of the Office of General Services in his sole discretion, to be most reflective of market conditions, will be used.

Corrections to posted prices previously published will be considered when caused by a typographical or clerical error on the part of said publisher.

The following clauses shall apply to all price adjustments under any contract awarded:

- (1) Price increases are limited to changes in pre-selected postings as noted above. Increases in contract costs or prices to compensate for other increases in the cost of doing business, regardless of where such cost increases are attributable, will not be allowed during the contract period.
- (2) Should the price structure utilized by the parties become unworkable, detrimental or injurious to the State or result in prices which are not truly reflective of current market conditions and are deemed unreasonable or excessive by the Commissioner and no adjustment in price is mutually agreeable, the Commissioner reserves the sole right upon 10 days written notice mailed to the contractor to terminate any contract resulting from this bid opening. If the contractor is unable or unwilling to meet contractual requirements in whole or in part it shall immediately notify the State of such in order that the State may take appropriate action. Such notification shall be in writing and shall be addressed to the Office of General Services, NYSPRO.
- (3) The federal government has determined that gasoline sold in certain counties: Bronx, Kings, Nassau, New York, Orange, Putnam, Queens, Richmond, Rockland, Suffolk, Westchester [in the New York City Consolidated Metropolitan Statistical Area (CMSA)], and Dutchess County as an "opt-in," are subject to regulations mandating the use of OPRG(E) gasoline year round. Recognizing that pricing differentials occur on a regular basis, the State will incorporate the following methodology in the determination of the weekly price revision.

EXAMPLE: METHODOLOGY FOR RBOB AND ETHANOL ADJUSTMENTS
(OPRG(E) UNLEADED FUEL TYPES)

Posted Date: May 6, 2013

$$\begin{aligned} \text{RBOB} \times .90 + \text{Ethanol} \times .10 &= \text{Blended Average} \\ (2.7820 \times .90) + (2.7055 \times .10) &= \text{Blended Average} \\ 2.5038 + .2705 &= 2.7743 \end{aligned}$$

Posted Date: (Hypothetical) September 23, 2013

$$\begin{aligned} \text{RBOB} \times .90 + \text{Ethanol} \times .10 &= \text{Blended Average} \\ (2.7820 \times .90) + (2.9063 \times .10) &= \text{Blended Average} \\ 2.9650 + .2906 &= 3.2556 \end{aligned}$$

ADJUSTMENT CALCULATION

$$\begin{aligned} \text{September 23, 2013 Blended Average} \pm \text{May 6, 2013 Base Blended Average} &= \text{Adjustment} \\ 3.2556 - 2.7743 &= +.4813* \end{aligned}$$

*This figure being a positive number will be added to the base bid price. If the figure is a negative number it would be subtracted from the base bid price. For the OGS web based posted pricing this adjustment will be added or subtracted to the base bid price.

NOTE: All figures are rounded to four (4) places.

EXAMPLE: METHODOLOGY FOR E-85 ADJUSTMENTS

Posted Date: May 06, 2013

$$\begin{aligned} \text{RBOB} \times .15 + \text{Ethanol} \times .85 &= \text{Blended Average} \\ (2.7820 \times .15) + (2.7055 \times .85) &= \text{Blended Average} \\ .4173 + 2.2525 &= 2.2996 \end{aligned}$$

Posted Date: (Hypothetical) September 23, 2013

$$\begin{aligned} \text{RBOB} \times .15 + \text{Ethanol} \times .85 &= \text{Blended Average} \\ (3.2944 \times .15) + (2.9063 \times .85) &= \text{Blended Average} \\ .4942 + 2.4704 &= 2.9646 \end{aligned}$$

ADJUSTMENT CALCULATION

$$\begin{aligned} \text{September 23, 2013 Blended Average} \pm \text{March 07, 2011 Base Blended Average} &= \text{Adjustment} \\ 2.9646 - 2.2996 &= +.6650* \end{aligned}$$

*This figure being a positive number will be added to the base bid price. If the figure is a negative number it would be subtracted from the base bid price. For the OGS web based posted pricing this adjustment will be added or subtracted to the base bid price.

NOTE: All figures are rounded to four (4) places.

(4) Bidders shall designate in their bid an individual, the individual's position in the company and telephone number, who will be responsible for and authorized to act on behalf of the company with respect to these price adjustments.

A revised Contract Award Notification can be viewed at:
<http://www.ogs.ny.gov/purchase/spg/awards/0560022683CAN.HTM>

All other terms and conditions of the contract remain the same. Please contact this office should you have any questions.

Executive Office of General Services
New York State Procurement
Corning Tower Building
Empire State Plaza
Albany, New York 12242
<http://nyspro.ogs.ny.gov>

PURCHASING MEMORANDUM
CONTRACT AWARD NOTIFICATION UPDATE

AWARD NUMBER: [22683](#)

DATE: August 25, 2014

GROUP: 05600 – Gasoline & E-85(Statewide)

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UNITED METRO ENERGY CORP. / PC66192

VALLEY OIL CO. INC. / PC66193

SUBJECT: 3 MONTH UNILATERAL SHORT TERM EXTENSION

TO ALL STATE AGENCIES AND OTHERS AUTHORIZED TO USE STATE CONTRACTS:

The above referenced contracts have been extended for 3 months or until replacement awards have been made. Should a new award be issued before the three month extension has expired, this contract will be cancelled and all purchases must be made through the new award.

All other terms and conditions of the contract remain the same. Please contact this office should you have any questions.