

MEMORANDUM

TO: NWABSD Board of Education

DATE: April 11, 2023

NUMBER: 23-095

FR: Office of the Superintendent

SUBJECT: Approval of Purchase,
FY24 Heating Fuel Purchase

ABSTRACT:

Board approval is required for expenditures that exceed \$50,000.

ISSUE:

At issue is board approval to award the NWABSD's FY24 heating fuel order to the lowest bidder by site.

BACKGROUND AND/OR PERTINENT INFORMATION:

The Property Services department received bids for an RFP for the purchase and delivery of approximately 575,600 gallons of heating fuel to eleven (11) NWABSD school sites in summer 2024, 25,000 gallons of ULSD, and 3000 gallons of unleaded to Kivalina. The RFP was sent to the only two vendors that deliver fuel within the Northwest Arctic Borough, Crowley Petroleum Distribution and Vitus Fuel Services. The deadline for submitting bids was Monday, April 3 at 4:00 p.m. The lowest bidder by site will be awarded the fuel bid(s). Crowley Petroleum Distribution was the lowest bidder for eleven (11) sites and Vitus Fuel Services was the lowest bidder for no (0) sites. The bid prices by site are attached.

Funding: General Funds

ALTERNATIVES:

1. Approve the administration's request to award the NWABSD FY24 heating fuel bid to Crowley Petroleum Distribution for an amount not to exceed \$2,996,437.80 as presented.
2. Disapprove the administration's request to award the NWABSD FY24 heating fuel bid to Crowley Petroleum Distribution.
3. Take no final action.

ADMINISTRATION'S RECOMMENDATION:

The administration recommends board approval to award Crowley Petroleum Distribution our fuel bid for for an amount not to exceed \$2,996,437.80 as presented.



April 3, 2023

Northwest Arctic Borough School District
Attention: Brandon Blackham
P.O. Box 51
Kotzebue, AK 99752

RE: 2023 Fuel Bid

Mr. Blackham

In response to the Northwest Arctic Borough School District (NWABSD) RFP –2023 Fuel Bid, Crowley Fuels LLC (Crowley) respectfully submits the attached proposal for your review and consideration.

Crowley began serving the people and businesses of Alaska in 1953 – 70 years and counting – and has consistently provided unique solutions to Alaska’s logistics and marine transportation and fuel distribution challenges throughout Alaska’s communities. Today, with a storage capacity of more than 76 million gallons, we are one of the unquestioned leaders in the Alaska fuel industry, providing transportation, distribution, and sales of petroleum products to more than 280 communities across the state. We have nineteen terminals strategically positioned across Alaska serving retail, commercial, construction, transportation, and aviation industries.

Crowley followed the requirements of the RFP and is submitting independent price bids for each of the locations identified in the RFP. Proposed pricing for the locations of Ambler, Kobuk, Shungnak is predicated on the award of all three sites to Crowley. Crowley proposes delivering during the summer months between June 1 and September 30, 2023. Crowley certifies that a representative of the company, authorized to negotiate and execute contracts, has signed this offer and has the authority to enter into a fuel agreement with NWABSD.

We value our relationship with NWABSD and understand the importance of safe and timely deliveries of fuel to the district locations. We appreciate the opportunity to participate in the competitive bid process and look forward to serving the district locations for the coming season. If you should have questions or need any clarification to our submittal, please call Todd Tikiun, Senior Account Executive at (907) 545-0948 or via email at Todd.Tikiun@crowley.com

Respectfully,

Todd Tikiun
Senior Sales Executive, Customer Experience
Crowley Fuels, LLC

This proposal, including attachments, is confidential, proprietary, and may be subject to attorney-client privilege. This proposal is intended only for the use of Northwest Arctic Borough School District. Any dissemination, distribution or copying of this proposal is strictly prohibited.

Sites	Estimated Fuel Quantity (Gallons)	Delivery Fee- PER GALLON	Extended Proposal Price	Notes
Buckland	58,000	\$5.8005	\$336,429.00	
Deering	24,000	\$5.0005	\$120,012.00	
Kivalina HF/ULSD1	65,600	\$5.0005	\$328,032.80	
Kivalina RUL	3,000	\$5.5005	\$16,501.50	
Kotzebue	120,000	\$4.7605	\$571,260.00	
ATC - Kotzebue	30,000	\$4.7605	\$142,815.00	
Kiana	45,000	\$5.0005	\$225,022.50	
Noorvik	55,000	\$5.0005	\$275,027.50	
Selawik	90,000	\$5.0005	\$450,045.00	
Ambler	41,000	\$6.2505	\$256,270.50	
Kobuk	19,000	\$6.2505	\$118,759.50	
Shungnak	25,000	\$6.2505	\$156,262.50	
	575,600		\$2,996,437.80	

* PRICING INCLUDES ALL TAX

- a. Delivery to the communities of Ambler, Kobuk and Shungnak is predicated on receiving the award for all three locations.
- b. Delivery to the communities of Ambler, Kobuk and Shungnak are extremely dependent on the water level of the river. Please refer to the Force Majeure clause identified in Attachment B, Standard Terms and Conditions, Section 6, Exceptions.
- c. Under any Force Majeure situation, the NWABSD will allow Crowley an opportunity to cure any obligation before NWABSD seeks substitute performance from any other party.
- d. NWABSD will be required to nominate final quantities prior to May 15, 2023 Prices valid until 12:00 AM

Date:

Subject: FW: Fuel bids for summer 2023
Date: Monday, April 3, 2023 at 1:29:52 PM Alaska Daylight Time
From: Brandon Blackham
To: Jazmine Camp
Attachments: image003.png

See Vitus Fuel bid below

From: Mike Poston <Mike.Poston@vitusmarine.com>
Date: Monday, April 3, 2023 at 12:19 PM
To: Brandon Blackham <bblackham@nwarctic.org>
Subject: RE: Fuel bids for summer 2023

[EXTERNAL EMAIL - CAUTION]: Do not open unexpected attachments or links.

Brandon, below please find Vitus' offer on your summer fuel RFP. Prices offered are fixed and based on delivery via barge except for Kivalina. Kivalina prices include a \$0.75 per gallon premium for truck delivery. Vitus encourages NWABSD to acquire it's own truck for Kivalina to avoid future trucking costs. All prices include federal lurt tax of .001 per gallon and exclude all other taxes based on official use by State or Local Government and therefore exempt. Per your RFP we understand that awards will be made on a site by site basis, not broken down by product or customer.

Thanks,
 Mike
 907-538-2198

2023 Fuel Request		
Heating Fuel		Total
	Ambler	no bid
	Buckland	no bid
	Deering	\$5.104
	Kiana	\$5.204
	Kivalina	\$5.854
	Kobuk	no bid
	Kotzebue	no bid
	ATC	no bid
	Noorvik	\$5.204
	Selawik	\$5.104
	Sungnak	no bid
ULSD		
	Kivalina	\$5.854
Unleaded		

From: Brandon Blackham <bblackham@nwarctic.org>
Sent: Thursday, March 16, 2023 12:09 PM
To: Tikiun, Todd <Todd.Tikiun@crowley.com>; Mike Poston <Mike.Poston@vitusmarine.com>
Subject: Fuel bids for summer 2023

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Good morning

Attached you will find a request to bid fuel for 11 sites. Feel free to contact me with any questions. Some sites may need adjusting, as the Memorandum explains this is an approximate/estimate. I will let you know as information comes in. Please submit by Monday April 3rd, 2023.

Thank you
Brandon