

**STATE OF OKLAHOMA**  
**DEPARTMENT OF CENTRAL SERVICES**  
**CENTRAL PURCHASING DIVISION**  
**2401 N. LINCOLN BLVD. SUITE 116**  
**WILL ROGERS BUILDING**  
**OKLAHOMA CITY, OKLAHOMA 73105**

ADDENDUM #1

January 11, 2008

CONTRACT TITLE. . . . . Automated Fleet Fuel Systems

CONTRACT NUMBER. . . . . SW71101

CONTRACT. . . . . December 1, 2007 through November 30, 2008

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This addendum is added to and is to be considered part of the subject contract.

THE FOLLOWING INFORMATION IS BEING FORWARDED TO AGENCIES:

**BULK FUEL: PROCEDURES**

Mansfield Oil Company is pleased to be awarded the State of Oklahoma Fleet Management contract to supply fuel to the various agencies requiring bulk fuel throughout the State. We are currently in the process of setting up fuel accounts for each buying facility, as is required for accounting and delivery reasons. It is very important that agencies have accounts set up prior to ordering fuel to avoid any unnecessary delays in receiving your fuel. It is recommended that this be completed at least a week prior to ordering fuel

If you already have a Mansfield account number, you do not need to set up another one.

Once you have an account number, you will simply call in to the 1-800 number, provide the order entry person with your account number and make your fuel order. Fuel delivery is typically a 24 hour turnaround so that we can plan the load, supply and carrier effectively. If your process requires same day delivery, advise us of that when you order. Same day deliveries need to be in no later than 8:30 AM the day of delivery. Any other special requirements that are not already on your account will need to be requested at the order so that we can put those on the dispatch order. Those may include early am deliveries so that additive can be put in the tank first or because you will be closing the next day at noon. The order entry person will provide you with a release number. This number is for tracking your load and invoice.

**Item 1. Identify your Mansfield contacts.**

My name is Josh Epperson. I am responsible for the overall performance of this contract and I can be reached to answer any questions you may have or to report any failure in performance, so that I may address it. I will also manage any pricing requests you may have. My contact information is as follows:

Josh Epperson  
Director, West Coast Marketing  
1-888-599-7676 Toll Free request transfer to Josh  
970-333-1475 Cell  
[jepperson@mansfieldoil.com](mailto:jepperson@mansfieldoil.com)

Sandra Johnston is your Account Manager. She is responsible for account setups, contractual documents and any questions you may have concerning your account. She is who you will call to set up your account.

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She will need to know the answers to the questions enclosed within this email. Sandra's contract information is:

1-800-283-3835. Toll Free

678-450-2071 Direct

678-450-2271 Fax

[sjohnston@mansfieldoil.com](mailto:sjohnston@mansfieldoil.com)

**Item 2 Fill out the Account Information Sheet**

You will find an account information sheet enclosed within this email. Either fill it out electronically or print it and write it out. It can be returned via email or fax to Sandra as noted above. You can also call Sandra and tell the information if you prefer. Sandra will let you know when your account is set up and what the account number is. If your tank is below ground, you will need to fax over your tank certificate as well. This ensures that we are delivering to a legal tank. If you have already done this, skip this step.

**Task 3 Order Fuel**

Once your account is established, you can call 1-800-283-3835 to place your order. You will be asked your account number, which will pull up all the necessary information about your location that you have provided. You will place your order and be given a release number. At any time that you have a question concerning your delivery, it can be tracked with this number.

**Task 4 Pricing**

Fuel is priced daily from refiners. Oklahoma has a PO system that requires pricing at time of order. In some cases this can be accomplished at the time of order, specifically with same day orders that come from the default terminal. Next day deliveries can be accomplished as easy simply by calling me with your BOL information. The reason for the delay is that when we dispatch fuel for the next day, our carriers are redispached the lowest available supply out of all of our options. This ensures that the State receives the lowest price available in the market. In order to see where they were dispatched and what they pulled, we need that from the BOL. It typically takes the carriers a day or two to get the paperwork in to us to create an invoice.

Mansfield Oil Company's order boards are open from 7:30 AM EST (6:30 CST) to 5:00 PM.M-F. Additionally, after hours personnel are available for you during off hours and weekends through the 1-800 number. I am also available at 970-333-1475 at any time.

I have been made aware of the difficulties faced when changing suppliers or contracts by many organizations. I am certain that the change is no different for the staff of the State of Oklahoma. Rest assured that your business and the satisfaction of the Oklahoma buyers in our service is of the utmost importance. We will go to whatever ends necessary to ensure that we satisfy your fuel requirements and fuel buying processes.

It is extremely important that you communicate your specific requirements to Mansfield, so that we can ensure they are met. It should be known that the Mansfield system is built on cost savings measures and efficient practices. When we detect an unnecessary expense, we work to correct it and some of this effort may be coming across to you, the buyer, as questioning your process. It is not intended that way. Our interest is in providing the State the most cost efficient means of purchasing fuel possible. For example, we take an order for 2500 gallons unleaded for a 10,000 gallon tank. We automatically know, based on a \$.05 freight rate that this will cost the State an additional \$.12 cents per gallon, or in other terms, \$300 extra dollars. Our intent is only to help you understand what we know. I have instructed the order entry personnel not to question the practicality of the orders so as to give the buyers room to breathe as we become accustomed to one another. We can look at this in a couple of months and advise the Agency leadership cost effective measures that can be taken if they wish to employ them.

There is no additional cost to providing same day deliveries and we will go to great efforts to ensure you receive your fuel when requested. There are some limits to this ability. Carriers typically plan all of their loads a day ahead

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of time. This is important for business planning and safety. When a location calls and needs a same day delivery on a regular non pre holiday day, provided they are within 40 miles of the pipeline fuel terminal, it can most often be accomplished. If not, we can make arrangements to have it pulled from another area or another carrier, which always creates an expensive requirement, sometimes up to 5-10 cents per gallon difference. We strongly encourage planning loads for a 24 hour turnaround. If your policy is same day, we will note it and be ready for it.

We look forward to serving the fuel requirements of the State of Oklahoma. We can answer any questions you may have concerning your fuel and fuel deliveries. Mansfield Oil is a nationwide leader in fuel supply and fuel management to many State, Federal and Local governments and can apply best practice to any situation you may have. You can learn more about Mansfield by visiting our web site at [www.mansfieldoil.com](http://www.mansfieldoil.com).

**CONSIGNMENT OF FUEL PROCEDURES:**

As Mansfield maintains consignment fuel for multiple State and Commercial companies, some up to 200 tanks, we are well equipped to manage this process. Mansfield has determined the beginning quantities for the tanks. They are as follows:

	GAS	DSL
Hamilton Correctional	1017	749
Eddie Warrior	1184	E85
State Motor Pool	1789	3004
NORC	1150	
Dept Pub Safety	1990	

Mansfield will supply, deliver and maintain the products in the fuel tanks. It is not determined whether or not the inventories will be managed via your remote capable ATG units or via the battery operated probes in the fuel tanks now. Mansfield requests access to your remote capable ATG units for this information. The ATG method should be considered by the State as referenced earlier. Mansfield can do either one. If neither is available, periodic inventories (end of month) will need to be faxed to Mansfield. A quarterly true up process will occur to determine overage or shortage on inventory versus amount of fuel distributed and billed via the card reader transactions. Mansfield will credit or site owner will pay based on the reconciliation data provided for the true up.

Consignment fuel will be handled as follows:

1. The site and storage of the site will be reviewed to ensure that it meets environmental specifications and provides a safe facility from which to store, sell and dispense petroleum products. The ongoing environmental compliance method will be reviewed as well.
2. Once the quality of the fuel has been certified, Mansfield Oil will buy the fuel existing in the tank at the date and time of agreement to transfer product. Mansfield has already completed this purchase from Fuel Managers.
3. Once Mansfield takes ownership of the product and the transfer is certified by a Mansfield representative on site, fuel will be sold to the State as it is dispensed, being recorded on the Fuelmaster Equipment via Comdata cards. If the equipment is non functional and the system is on bypass while dispensing products, the gallons pumped out will be billed in the true up process. Mansfield strongly discourages equipment being put on bypass. All personnel with keys to the

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equipment and capable of putting the equipment in bypass mode, needs to be recorded at each site, every time the system is put in bypass.

4. A manual inventory reconciliation will occur once monthly and all discrepancies will be billed or credited to the site owner to maintain a balanced inventory. The price for fuel will be an average of the prices during the true up process as indicated in the contract.

DCS Fleet Management owns the FuelMaster Card Readers located at the sites listed below:

DCS Motor Pool in OKC;  
DHS @ NORC in Enid;  
DOC @ Jim Hamilton in Hodgen;  
DOC @ Eddie Warrior in Taft;  
DPS on E. Reno in OKC;

If you experience any problems with these card readers, please contact Gwen Martin at (405) 521-2206.

**CREDIT CARD INFORMATION:**

AGENCIES WILL ONLY BE PROMPTED FOR THE PIN NUMBER AND THE ODOMETER READING WHEN PURCHASING FROM LEVEL THREE MERCHANTS. LEVEL THREE MERCHANTS ARE THE BRANDED STATIONS OR CHAIN STATIONS. PHILLIPS, CONOCO, ETC. IT IS POSSIBLE TO UTILIZE ALL STATIONS THAT ACCEPT MASTERCARD, HOWEVER AGENCIES ARE CAUTIONED TO RECOGNIZE THE DIFFERENCE IN REPORTING INFORMATION THAT WILL BE FORWARDED TO COMDATA AND UTILIMATELY TO THE AGENCIES WHEN USING LEVEL TWO AND LEVEL ONE STATIONS. A LISTING OF ALL OF THE CURRENT LEVEL THREE STATIONS IS AVAILABLE ON ICONNECT.COM. (COMDATA WEBSITE)

**MasterCard Fuel Merchant Level Classification**

Level I --- This is the basic transaction where Comdata is only passed date, time, location and a total price that was purchased.

Agencies will receive more information on the receipt but the information will not be passed in the data to Comdata. It is important to keep these receipts as the fuel taxes cannot be exempted by Comdata/Transmontaign. The agency will be responsible for apply directly to the IRS for the exemption. (SEE REGARDING THE FEDERAL EXCISE TAX ON FUEL BELOW)

Level II -- In this transaction Comdata does receive the information listed above along with the product information which then allows Comdata/TMG to exempt the federal tax on these transactions.

Level III -- This type transaction provides the state with the best tax benefit as well as security. With these transactions Comdata receives the product information for tax exemption but also receives the Cardholder ID (PIN) and the odometer.

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The Merchant classification of Levels only applies to Fuel Merchants/Transactions. When items other than fuel are purchased, the merchant locations may have the ability to pass line item detail including the product information but they will not prompt for a PIN.

REGARDING THE FEDERAL EXCISE TAX ON FUEL: .State agencies can file Schedule 1, Form 889. This form has to be sent in on a quarterly basis. There is a minimum of \$750.00 refund per quarter however agencies can/may file for 2 quarters, or 3 quarters or wait and file for all 4 quarters at the same time. They can also wait to file this form for up to 3 yrs. After three years, they can not go back and file for a refund. The form can be downloaded from the IRS website under forms and publications. The IRS URL is:  
<http://www.irs.gov/formspubs/index.html> Click on “Forms and Publications, then in the search filed enter “Schedule 1 Form 889”. The publication will be in the list.

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ANY QUESTIONS, COMMENTS AND CONCERNS REGARDING THIS CONTRACT NEED TO BE DIRECTED TO THE UNDERSIGNED CONTRACTING OFFICER.

Theresa Johnson, Contracting Officer  
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