

What the Fuel?

How to determine if you're being charged the proper rate on our fuel contracts - Part 2

By Michael Speakmon, CPPO

Welcome to Part Deux of our treatise for determining if you're being charged the proper rate for fuels. This month, I discuss the date and other parts of the invoice you need to examine to compare the vendor's invoice to the daily fuel price on our website and how the invoice should show what your actual charges are.

What date on the invoice should I use to determine the proper price?

This is really important because if you're working with the vendor to resolve a billing issue, we want to make sure you both are on the same page with the numbers each of you is using.

Not all vendors use the same invoice type so there may be different names for what they call the date they pick up the fuel from the terminal. Those I've seen call it a "lift date" so we'll call it that for our purposes in this article. THAT is the date you need to use. Whichever date they purchased the gas from the terminal is the price that they should be charging you, the customer. Typically, the lift date will be the same date as the delivery, but they could be different. Either way the *lift date* is the key.

The Contractor's Invoice

As stated above, each Contractor will have a separate invoice format, but here are the elements that you need to make sure they have. There may be other information on the invoice, but this is the minimum that you'll need to ensure you're calculating the price correctly.

1. The date you placed the order. This "should" be before the date they purchased the fuel, but it could be the same day depending on when you placed the order.
2. The lift date (date they picked up the fuel from the terminal). As discussed, this is the date that you need to verify what the ultimate proper per gallon price should be.
3. The per gallon price they paid at the terminal. This is crucial to being able to properly calculate the per gallon price. On the invoices I've seen, this was listed as the "price" or "unit price."

But the important thing is this; whatever that price is, it **should** include the per gallon rate they paid at the terminal AND the markup/markdown from our contracted rate. The invoice may show them as separate line items (not on any of the invoices I've seen) but if they don't, subtracting the markup/markdown rate for that fuel type/zone/load type will get you the per gallon rate they paid. As long as the rest of the fees add up to the proper per gallon daily rate determining this isn't necessary.

NOTE: The proper markup/markdown rate and load type is determined by the **total amount ordered**. For example, if you order 7500 gallons, that is defined by our contract as a transport load. However, most tankwagon trucks will not go all the way to 7499 gallons, which is considered a tankwagon load by the contract, so the Contractor will use a large truck to make the delivery, but only charge the tankwagon markup/markdown rate. You may need to read that again...I had to write it three or four times.

4. The total amount “ordered” and “delivered.” You should only be billed for the amount that was delivered, but that could be more than you ordered (at least by a few gallons) so double check that.
5. Taxes and fees they are applying. More on that in a minute.
6. The total cost of the invoice.

Now, about the taxes and fees. On the invoices I’ve seen, the vendors have listed the per gallon price and then itemized the taxes and fees that must be paid. The amount of those taxes should be equal to the ones listed in Part I of this article, but they MAY not have all of them (i.e., our admin fee which we add to the daily price), so you’ll need to look carefully.

In Part I we detailed how we define the fees by name, but the invoice may have other terms for the same fee. Some that I’ve seen so far are:

DPS Term

SC Road Tax
State Inspection Fee
State Inspection Fee
Environmental Impact Fee
LUST Fee
LUST Fee
Federal Oil Spill Tax
Federal Oil Spill Tax

Associated Invoice Term

SC Excise Tax
SC Inspection Fee
SC Insp Fee
SC Env Fee
USA Env Fee
Fed LUST Fee
USA Oil Spill
Fed Oil Spill

Using these examples, you can see that it’s not difficult to determine the proper fee, but you can also verify by ensuring the amount they are charging is equal to what we described in Part I. If any of those don’t match, you’ll want to reach out to the Contractor.

No matter how they list the taxes and fees, at the end of the day the total amount per gallon must not exceed the daily fuel price on our website.

NOTE: *South Carolina, county and local sales taxes should be added to your delivery depending on where you are. THOSE fees are not included in the daily rate on our website so don’t include them in your calculations when you are trying to verify pricing.*

Are there other fees that they can charge? No... and yes... maybe. During normal operations there are no additional fees (other than state and local taxes as described in the note above) that can be charged, except for split load or pump-off charges which are specifically addressed in the solicitation. However, during what we’ll call more “challenging” times, there may be some additional fees that will come as a pass-through for the customer.

For example, in May of 2022 when we were having our fuel challenges from the Colonial pipeline shut down, our Contractors were not always able to get their fuel through the terminals they have contracts with. That forced them to go to terminals they do not contract with and just wait in line to get fuel. Then, they were forced to pay whatever the terminal was charging, and some terminals even charged an additional terminal fee because of the lack of a contract. (Part of the markup/markdown pricing is the relationship the Contractor has with the terminal they plan on using for performance on the contract, so that is why there are additional fees when they have to go outside the normal terminal.) There were times in May 2022 when our Contractors were literally driving around the state to get fuel to fulfill our orders.

One of the biggest challenges for us, and our Contractors, during the May 2021 and May 2022 fuel challenges was this... **everything was still open.** Our fuel contracts have escalation language in case of an emergency, but they are limited in their scope because we assume an “emergency” is going to be some type of weather event that shuts portions, or all, of the state down, and the only people needing fuel will be the emergency workers and law enforcement. Everyone else is supposed to be at home.

But in those two cases, the emergency was the supply side issue and not enough fuel was available to meet the needs. Kids were still going to school, all of us were still going to work, Memorial Day weekend travel was going to be impacted, and it was affecting more than just South Carolina.

So, all that to say this, while our contracts anticipate “some” emergency situations, we cannot anticipate them all. When something out of the ordinary occurs, our Contractors’ typical initial reaction is to raise their prices beyond the contracted rate because it is costing them more to provide the fuel and they don’t want to lose money. While this is in violation of the contract, we can’t logically let the contractor absorb the additional costs that are being put on them by their suppliers to give us what we’ve asked for. Our position is that in those extreme events we negotiate with each of the Contractors to allow them to temporarily pass through any additional fees that they are charged in performance of the contract. Once the emergency is over, things return to normal.

Well, that’s about it for everything concerning our fuel contracts and the daily fuel prices. Hopefully we’ve given you the tools you need to:

- Better understand how the daily fuel prices are calculated
- Better understand the taxes and fees that you are being charged
- How to navigate and understand your bulk fuel invoices

If a bulk fuel invoice question comes up, you should ALWAYS start with the Contractor and have a conversation with them. ASK them to help explain their invoice, if necessary, and they should be happy to assist you. If you can’t come to an agreement with the Contractor that way, then feel free to reach out to the procurement manager responsible for that contract. And THAT you can always find on the contract sheets on our website.





Read and Heed: P-Card Administrators Audit Review

Our office is auditing the data base of P-Card Administrators. Please send the following information about your current administrator(s) and back-up administrator(s) to Portia Davis at pcard@mmo.sc.gov by **September 8, 2023**:

Agency Name
Group

- A – State Agency*
- B – Higher Education*
- C – Local Govt, School District, Special Purpose Districts, and other local government entities.*

Name (Last, First)

Phone

Email

Program Administrator or Back-Up Administrator

Effective Date

Agency Website



When there are any changes to the P-Card Administrators, please notify our office so the change is reflected in our records. This will help your agency get faster responses when questions arise with your Works Program that you may need our office to assist with.

Per the State Policy: Provide written designation of P-Card Program Administrator to the DPS P-Card Coordinator. Group A agencies shall also provide this written designation to OCG:

https://procurement.sc.gov/files/P-Card_Policy_01-01-2020_Updated_09-09-2021.pdf

SPECIAL NOTICE

Requesting Increases to Contracts in SCEIS

It is common for you, the users, to have a purchase order that exceeds the amount available on one of our STCs in SCEIS. When that happens, all you need to do is send a request to the Procurement Manager responsible for that contract requesting the increase. (remember, the most UP-TO-DATE information about who is responsible for a particular contract is on the contract sheet on our website) When submitting your request, we will need the following information at a minimum:

1. Contract number. It's kind of an imperative but you'd be surprised how many times we need to ask for it.
2. The LINE ITEM of the contract you need increased. Only for those contracts that have multiple line items.
3. The amount of the total purchase order, not just how short you are.
4. Are you planning on buying anymore off that line item/contract in the near future? If you are processing multiple POs, we want to account for those all at once rather than repeatedly having to do increases in a short amount of time. Screenshots of the error message can be helpful, but we really need everything noted above.

Remember, it's not just about your PO when we are addressing STCs; we are trying to gauge additional usage of the contract, so we add additional funds to account for other's needs. We can't just put an unrealistic amount of money on a contract either. By following these steps, we'll be able to assist you faster and allow you get your POs processed sooner while also anticipating future needs.

Semi-Automatic Weapons & Ammunition (Lawmen's Contract 4400031407, Speer & Federal Ammunition)

It has come to our attention that Vista Outdoor, the parent company of Speer and Federal Ammunition, is issuing a letter to some of our customers indicating that "Kiesler Police Supply in Jefferson, IN, is the only factory authorized Law Enforcement Distributor in the State of South Carolina for CCI-Speer and Federal Cartridge Company, which are owned by Vista Outdoor. Presently, Kiesler Police Supply is the only authorized Law Enforcement Distributor for drop shipments directly from the factory within South Carolina."

While Vista Outdoor does have a relationship with Kiesler, they also maintain a relationship with Lawmen's until July 2024, and Lawmen's will continue to service our contract until the end of the current term which ends on April 19, 2024. To be clear, the STC for Speer and Federal Ammunition is with Lawmen's Distributors, NOT with Vista Outdoor. In accordance with the terms of the contract, only Lawmen's is able to sell Speer and Federal Ammunition under our contract. If you have further question please reach out to Portia Davis at pdavis@mmo.sc.gov.

The Monthly Statewide Term Contract Town Hall

The next Town Hall will be Thursday, September 14, 2023, at 11:00 AM. At this meeting we will highlight the Constituent Management Services contracts and potential changes to the same.

YOU can help set the agenda for the meeting by emailing any specific questions you may have a few days before the meeting. We didn't receive any questions via email last month, but we wanted to remind you that it is always an option. Email your questions ahead of time to one of the following people:

G&S Questions – mspeakmon@mmo.sc.gov
IT Questions – rbarr@mmo.sc.gov

Click on this link to register for the MS Teams meeting. Once you have registered, you will be sent an email offering to put the event on your calendar. When you do that, the link to the meeting will be in the calendar invite. If for some reason you don't get the link after registering, you can also find a link to the Town Hall located on the DisPatches Newsletter page on our website at this location. <https://procurement.sc.gov/dispatches>

We look forward to seeing you on September 14.

MMCAP Contraceptive Contracts are BACK!

We finally got the contraceptive contracts back in place; here are the details for the new contracts:

- **SXWELL 4400031903**
- **Global Protection 4400031902**
- **BHolding 4400031904**

All contracts are active in our system and are ready for use.

Truck Body Contract Extended – Our contract with Lee Transport (4400027118) has been extended through October 31, 2024, (or until a new contract has been awarded) whichever comes first. There is no change to the contracted pricing as part of this extension.

Narcan (Almost) Available on STC (August Update) – We spoke with Cardinal recently and they indicated that NARCAN has NOT switched from Rx to an over-the-counter (OTC) drug yet. We will keep in communication with them and advise

once the law has changed. However, to buy NARCAN on the Cardinal contract you will need to be an MMCAP member AND establish an account with Cardinal. We will provide the instructions later on how to establish a contract with Cardinal, but you can go ahead and register with MMCAP now by following the instructions on the “MMCAP New Member Application” at this link: <https://procurement.sc.gov/contracts/search?v=10648-9919-0-0>

SHI has a new vendor number and new STC numbers

A new vendor number for SHI has been set up – 7000339906. Also, the Division of Procurement Services has created new statewide term contracts for SHI using SHI's new vendor number and has updated all Contract sheets with the correct information. We always recommend referring to the contract sheets for the latest contract information for all our contracts. <https://www.procurement.sc.gov/contracts/search?b=9918-0-0>

Should you have questions regarding 2024 contracts and purchase orders for this vendor, you may contact Stacy Adams, Director of Statewide Sourcing at sadams@mmo.sc.gov or the Procurement Manager noted on the individual contract sheet.

McAfee Software & Hardware & FireEye Products & Services

Our office has been notified that McAfee & FireEye have merged and been renamed Trellix. We are in the process of doing Novation/Name Changes for these contracts.

Should you have questions regarding these contracts, you may contact Randy Barr, Team Lead, IT State Term Contracting Team at rbarr@mmo.sc.gov or the Procurement Manager noted on the individual contract sheet.

Market Research and Agency Input Requests for NEW State Term Contracts (STC):

The Office of State Procurement (OSP) seeks input on the following recommendations for new State Term Contracts (STC). If you have any information you can share, please contact the appropriate procurement manager. Our goal is to put contracts in place that will meet your needs, but we need your input to ensure success.

Uniform Rentals – We were recently asked if we have considered doing a STC for uniform rentals as this is something that a lot of our customers could use. Please reach out to Michael Speakmon at mspeakmon@mmo.sc.gov. He'll want to see a copy of what you have done in the past for your organization, and he'll also probably have some questions for you about contract performance to validate and ensure whether this would be an effective, new STC.

Sophos – We anticipate publishing this solicitation in September 2023 with an anticipated award date in November 2023. If you have any questions or concerns, please contact Yolanda Cohen, at ycohen@mmo.sc.gov. If you are a current or future user of Sophos, we would love to hear from you to ensure the new state term contract will effectively meet your needs.

Market Research and Agency Input Requests for existing State Term Contracts

Herbicides, Adjuvants and Blends (Expires 9/8/2024) – DeAna Reed-Sharpe (drsharpe@mmo.sc.gov) is beginning her market research on the next iteration of this contract and is looking for any input you may have. Please contact her directly with your comments about the contract and what, if any, improvements could be made to ensure all of your needs are met through this contracting vehicle. Have a product not currently listed? Let her know and we might be able to add it and make your life easier.

All Vehicles (Expires 9/12/2024) – Michael Speakmon (mspeakmon@mmo.sc.gov) will be reaching out to specific users of this contract during the month of September to talk about how the new cost-plus format is working for them. He'll be talking specifically with SFM, DPS, and SLED as they are the single largest users of the vehicle contracts. If you are part of an agency/entity that falls outside of that, we are always interested in your opinion as well, so reach out to Michael and he'll be happy to speak to you about your experiences.

Sandbags (Expires 9/28/2024) – Portia Davis (pdavis@mmo.sc.gov) is just now beginning her market research into the next version of this contract. This is one of those contracts that have a specific, targeted use but is always available. She'll be speaking with the folks at EMD about this one. She's always looking for input additional sources. If you have experience using this contract, she would love to hear from you.

Poly Video Conferencing Equipment expires 12/27/2023 – We anticipate publishing this solicitation in September with an anticipated award date in November. We have also been notified that Poly has been acquired by HP Inc. and moving forward the new contract name will be HP Video Conferencing. If you are a current user of the Poly Video Conferencing Equipment contract, we would love to hear from you to ensure the new state term contract will effectively meet your needs. Please contact Yolanda Cohen immediately at ycohen@mmo.sc.gov.

In-Car/In-Bus Digital Recording Systems expires 12/11/2023 – If you are a current user of the In-Car/In-Bus Digital Recording Systems contract, we would love to hear from you to ensure the new NASPO contract will effectively meet your needs. Should you have any questions and/or suggestions, please contact Yolanda Cohen at ycohen@mmo.sc.gov.

State Term Contracts that will NOT be renewed or resolicited

Nothing new to report

Currently Published Solicitations

NEW! STC for Mattresses (5400025637) – DeAna Reed-Sharpe (drsharpe@mmo.sc.gov) published the new solicitation as an RFP on August 16, 2023. The pre-proposal meeting is scheduled for August 30, 2023, with an anticipated opening date of September 26, 2023.

NEW! STC for Detention Supplies (5400025264) – Portia Davis (pdavis@mmo.sc.gov) published Amendment #1 to this solicitation on August 21, 2023, and we do not anticipate a change to the bid opening date of September 7, 2023.

NEW! STC for Temporary Doctor Services (5400025610) – Portia Davis (pdavis@mmo.sc.gov) published Amendment #1 to this solicitation on August 22, 2023, and we do not anticipate a change to the bid opening date of September 8, 2023. Locum Tenens (temporary healthcare employment agencies) will provide professional medical staffing solutions.

NEW! STC for Traffic Control Devices (5400025616) – Michael Speakmon (mspeakmon@mmo.sc.gov) held the bid opening for this on August 28, 2023, and is currently evaluating the offers received. We do not anticipate a change to the award posting date of September 5, 2023.

IT Equipment Leasing (5400025256) – Stephen Taylor published this solicitation on August 11, 2023 with an anticipated award date of December 2023. The pre-bid is scheduled for August 30, 2023. If you have any questions or concerns, please contact Stephen Taylor, at staylor@mmo.sc.gov.

Forescout (5400025072) – This solicitation was published on July 25, 2023, with bid opening on September 8th. We anticipate an award date on September 20, 2023. If you have any questions or concerns, please contact Alicia Pearson at apearson@mmo.sc.gov.

E-Recruitment & Onboarding System (5400023901) – This solicitation remains in the evaluation process. The existing contract with Neogov has been extended to July 1, 2024, or until a new contract is awarded, effective, and all transition services are completed, whichever date arrives first. If you have any questions or concerns, please contact Kristen Hutto at khutto@mmo.sc.gov.

Service Now (5400025182) – This solicitation was published on May 3, 2023. The pre-bid was conducted on May 10th, and bid opening occurred on June 16, 2023. There were no responsive and responsible offers received. No award statement was published and the State's intent is to publish a new solicitation with revised specifications in early September and anticipate an award in October/November 2023. If you have any questions or concerns, please contact Randy Barr at rbarr@mmo.sc.gov.

Newly Awarded State Term Contracts (STCs)

Rock Salt (500025630) – DeAna Reed-Sharpe (drsharpe@mmo.sc.gov) published the intent to award on August 16, 2023. No protest was received so the contract to Morton Salt became effective on August 26, 2023.

Electronic Document Management System (EDMS) – The Electronic Document Management System contracts are now effective. You will note that new suppliers and offerings have been awarded from those historically on contract. The following vendors are available to provide EDMS services:

Palmetto Microfilm Systems Inc.
Team IA Inc.
Keymark Inc.
Companion Data Services LLC
eDocs Technologies
Softdocs SC LLC

If you have any questions or concerns, please contact Stephen Taylor at staylor@mmo.sc.gov.

Managed Services Provider (5400024620) – Stephen Taylor (staylor@mmo.sc.gov) published the Intent to Award on June 15, 2023, to Knowledge Services. The State has received a protest, and the Intent to Award is currently suspended until the CPO has posted the ruling regarding the protest.

IT Temporary Staff Augmentation MPS and Supplier Contracts – Contractors awarded under the IT Temporary Staff Augmentation services solicitation will be active on August 26, 2023. 173 contractors have been awarded.

Current suppliers on the previous IT Temp contract will remain onboarded with TAPFIN until the new Managed Service Provider is awarded.

New suppliers will follow the onboarding process with the Managed Service Provider who is awarded the contract under the Managed Service Provider (MSP) solicitation # 5400024620. The expected date that the new Managed Service Provider will begin services is November / December 2023.

Cooperative Contracts Updates

Laboratory Supplies & Equipment – NASPO and the lead state of Idaho have extended the current contracts until February 28, 2024. As of this writing, we have extended our Fisher Scientific (4400031379) contract to that date, and we are working with VWR (4400031407) to do the same. The contract information will be updated on our contract sheet at this location: <https://procurement.sc.gov/contracts/search?v=18911-9919-0-0>

Security and Fire Protection Services – Participating Addenda have been fully executed and the following vendors have active contracts:

A3 Communications, Inc.
Convergint Technologies
Mobile Communications America, Inc.

ADT and Johnson Controls will be added to the contract site once Participating Addenda have been agreed upon and signed. If you have any questions or concerns, please contact Stephen Taylor at staylor@mmo.sc.gov.

NASPO PCs, Servers, Storage, Peripherals – NASPO has extended contracts to October 31, 2023 and they been extended on our site as well. Currently we are preparing, as well as negotiating, new Participating Addenda for contracts set to start November 1, 2023. If you are a current user of these NASPO contracts, we would love to hear from you if you have any concerns about the new contracts or with any changes you were hoping to see with the new contracts so those could potentially be considered with the new PAs. If you should have any questions and/or suggestions, please contact Yolanda Cohen at ycohen@mmo.sc.gov.





HANDLING ORGANIZATIONAL CONFLICTS OF INTEREST

This week Division of Procurement Services leadership reached out directly to State agencies' finance and procurement directors and their staffs with some specific guidance on OCI, or organizational conflicts of interest.

While the Aug. 30 memorandum addresses State Government officials in particular, the information and guidance to be gleaned may very well be helpful to the vast majority of DisPatches readers who work across the wider public sector:

Organizational conflicts of interest, or OCI, can affect both the cost and quality of services performed for the State. Section 11-35-1840 authorized SFAA to promulgate regulations to identify, evaluate, and resolve OCIs. Effective August 2019, Regulation 19-445.2127 specifically addresses these conflicts. The regulation also allows the Chief Procurement Officers to issue procedures to carry out the intent of the regulation.

The Division of Procurement Services has prepared guidelines and related materials for [identifying, evaluating, and resolving](#) OCIs. This Procedures, Guidance, and Information document includes one revised clause and one new clause which should be included in all solicitations effective immediately. They are:

Clause No. 02-2A047-3, Disclosure of Conflicts of Interest or Unfair Competitive Advantage

Clause No. 07-7A054-1, Organizational Conflict of Interest

The PGI is dated August 2023. We expect to schedule training events and other outreach soon. You can find the document on the Division's website at [20230319 FINAL PGI-for publication sh.pdf \(sc.gov\)](#). There is a related FAQ document for contractors available at [20230515 OCI FAQ for Contractors - web version.pdf \(sc.gov\)](#).

Continue Your Learning Journey with the Division of Procurement Services

Wrap your mind around these training and webinar opportunities in September. Each is designed to challenge, inform, and entertain — a bargain at *any* price, but especially at the modest costs advertised below:

September 12-13, 9:30 a.m. – 12:30 p.m.

Title: *Specifications and Scopes of Work*

Description: This course is designed to give participants a working knowledge of designing and writing specifications and scopes of work. It is an online instructor-led class which will be held via Zoom. Invitations will be sent to registrants after registration closes. Because this course will be entirely online, it has been broken into two sections. Participants must attend both sections, pass the knowledge check, and complete an evaluation in order to receive credit for the course. **You DO NOT need to register individually for each day.**

Instructors: La Tasha Terry and Ellicia Howard

Contact Hours: 6

Cost: \$75

Registration: <https://training.procurement.sc.gov/training/courses?d=3912>

September 15, 9 a.m. – 12:30 p.m.

Title: *Acquisition Planning and Market Research*

Description: This course is designed to be a comprehensive overview of acquisition planning and market research. It is an online instructor-led class which will be held via Zoom. Invitations will be sent to registrants after registration closes. Participants must attend the online course, pass the knowledge check, and complete an evaluation in order to receive credit for the course.

Instructor: Stacy Adams

Contact Hours: 6

Cost: \$50

Registration: <https://training.procurement.sc.gov/training/courses?d=4037>

September 19-20, 9:30 a.m. – 12:30 p.m.

Title: *Procurement Ethics*

Description: This course is designed to be a comprehensive overview of Ethics and how they apply to the procurement function. It is an online instructor-led class which will be held via Zoom. Invitations will be sent to registrants after registration closes. Because this course will be entirely online, it has been broken into two sections. Participants must attend both sections, pass the knowledge check, and complete an evaluation in order to receive credit for the course. **You DO NOT need to register individually for both days.**

Instructors: Kristi Sligh and Ellicia Howard

Contact Hours: 6

Cost: \$75

Registration: <https://training.procurement.sc.gov/training/courses?d=3910>

September 29, 11 a.m. – 12 p.m. (Webinar)

Title: *Sole Source and Public Notice*

Description: This webinar will take a deeper look into advertising and public notice requirements, as well as the difference between an Intent to Sole Source and an Intent to Award a Sole Source.

Presenter: Kimber Craig

Contact Hours: 0

Cost: Free

Registration: <https://training.procurement.sc.gov/training/courses?d=4024>