



MEMORANDUM

From the office of Town Administrator Peter R. Flynn

Item #5

Date: August 18, 2014

From: Peter Flynn

To: Board of Selectmen

Subject: Fuel Oil Proposals

I have received #2 Oil proposals from two vendors that the town (both school and municipal) have been doing business with in recent years.

In checking with Ray Labore of the SAU, I have been given the rate of \$3.23 per gallon from Dead River as has been bid for the SAU.

Putnam Fuel, our present vendor, has bid \$3.19 per gallon.

The usage last season was estimated to be 9,854 gallons.

Based on the Putnam estimate for the same amount of fuel as last year the cost would be approximately \$31,522.

The Dead River cost would be \$31,828.

Putnam is a savings of approximately \$306.00.

I recommend Putnam due to their previous satisfactory performance with the town and the fact that they are a smaller and local company.



GUARANTEED PRICE PROTECTION CONTRACT

Agreement made on August 13, 2014, between "PUTNAM FUEL CO., INC.", a New Hampshire corporation doing business at 23 Church Street Goffstown, New Hampshire, hereafter the "Seller" and, all parties partaking of the Guaranteed Price Protection Contracts, hereafter the "Customer".

In consideration of mutual undertakings, Seller and Customer enter into a *Guaranteed Price Protection Contract* under the following terms and conditions:

1. The **Seller**, at the **Customer's** request, will allocate a certain number of gallons of home heating oil based on the **Customer's** gallons requested (no less than 400 gallons) on the Guaranteed Price Protection Contract price marked on page 3 to be paid for within 30 days of the delivery date. Prepaid amounts will not bear interest.
2. The **Seller** shall secure contracted gallons through supplier agreements and futures contracts in accordance with RSA 339:79.
3. The gallons of home heating oil allocated for participation in this contract is limited and available on a first come, first served basis.
4. The contract is offered to **Customer's** who have an up to date account.
5. The **Customer** must fill out a credit application, and acceptance into the Guaranteed Price Protection Contract is contingent upon approval of the credit application by the **Seller**. Credit approval is necessary in order to implement the automatic delivery.
6. All deliveries will be on a normal operating schedule; that is, a schedule based on automatic delivery. **Customer's will remain on automatic delivery after the completion of this contract unless Seller's are instructed otherwise at the beginning of the program in writing.** (It is acceptable if it is written on page 3 at the bottom of the signed contract) It is the **Customer's** responsibility to inform the **Seller** of any changes in fuel usage that we were not aware of (i.e. additions to house, raising temperature higher than usual, more or different people living in house, additional heat sources, etc.)
7. The *Guaranteed Price Protection Contract* pricing selected on page 3, will **start on September 1st and run until April 30th**. Any **Customer**, who has a credit balance as of May 1st will have the credit applied to their account for future oil or service purchases.
8. The **Customer** agrees to pay for **all fuel** delivered between **September 1st until April 30th** on Automatic Delivery. **Seller** agrees to sell any fuel in excess of the pre-purchased protected gallons listed on page 3 of the Guaranteed Price Protection Contract at the contracted price chosen until the date of April 30, 2014.
9. If the **Customer** should cancel this contract for any reason or use less than 90% of the total gallons requested on page 3 of the Guaranteed Price Protection Contract prior to April 30th the **Customer** shall pay the **Seller** reasonable liquidated damages for all remaining contracted gallons as well as a storage fee of \$0.10 per gallon per eight (8) months contracted (September 1st – April 30th) for the amount of remaining contracted gallons. Reasonable liquidated damage fees will be equal to the difference between the contracted price chosen on page 3 of the Guaranteed Price Protection Contract and Putnam Fuel Co., Inc.'s daily cash price on the day cancelled multiplied by remaining contracted gallons. If Putnam Fuel Co., Inc.'s daily cash price is greater than the contracted price **Seller** shall only be entitled to storage fees and not be entitled to reasonable liquidated damages from **Customer**.
10. If **Customer** should purchase and/or use less than the minimum required purchase amount of 400 gallons prior to April 30th **Customer** shall pay the **Seller** liquidated damages for all remaining contracted gallons as well as a storage fee of \$0.10 per gallon per eight (8) months contracted (September 1 – April 30th) for the amount of remaining contracted gallons. Liquidated damage fees will be figured on remaining contracted gallons multiplied by price chosen on page 3 on the Guaranteed Price Protection Contract.

11. If the **Customer** should breach this contract for any reason including but not limited to, receiving a delivery from another company, or refusing an automatic delivery prior to April 30th the **Seller** shall consider this contract as cancelled and **Customer** shall pay **Seller** reasonable liquidation damage fees as well as storage fees as listed in #9 of this contract. If the total pre-purchased gallons requested are exhausted the Customer shall pay Seller a penalty fee of \$150.00.
12. **Seller** shall deduct fees and/or liquidated damages from any remaining credits on the account and **Customer** will be responsible for payments due on any amount owed.
13. Any purchase of goods or services other than home heating oil (or as in #15 below) that appears on the **Customer's** account must be paid separately and will be so indicated on the statement of account the **Customer** receives.
14. The Seller may charge a FINANCE CHARGE of 1 ½% per month (ANNUAL PERCENTAGE RATE OF 18%) on all debit (owed) balances that are 30 days or over.
15. **Customer's** choosing the Fixed protected option will be enrolled in the Guaranteed Price Protection Contract upon receipt of signed contract.
16. It is the **Customer's** responsibility to call the office immediately for all account changes and follow it up in writing.
17. The **Customer** should call the office immediately, and follow it up in writing if necessary, if he has an inquiry or problem with his account.
18. The **Customer** will be responsible for any new state or Federal taxes, duty or charge (subsequent to this agreement) on or measured by the products sold hereunder, or on the storage, production, sale, transportation, delivery or use thereof, which is required to be paid or collected by the **Seller**.
19. This contract is conditional upon and subject to any acts, executive orders or other rules and regulations of the local, state or Federal government, both parties recognizing that these rules and regulations are frequently changed and may cause all or portions of this contract to become amended or eliminated. This contract is also subject to any interruptions of supply due to any cause, including; war, acts of terrorism, natural phenomena disasters, or acts of God which limit or halt the supply of home heating oil, temporarily or permanently.

Should any of the above events occur the **Customer** will be notified as soon as possible. Should events or regulations cause the termination of this contract the balance in the **Customer's** account will be refunded within thirty (30) days from termination. Should events or regulations cause a partial cancellation of this contract the **Customer** will be notified as to their options which shall include termination of this contract and a refund of their balance within thirty (30) days.

GUARANTEED PRICE PROTECTION PROGRAM

Town of New Boston
 Attention:
 PO Box 250
 New Boston NH 03070

John Miles.
 Putnam Fuel Co., Inc.
 23 Church St
 Goffstown NH 03045

Phone: 497-4897

0	OFFICE USE	_____
Received:		
Payment:		
_____	CO	_____ WC

If you would like to participate in this program, please check the price option(s) below, sign and return this page.

**** Total gallons available for these programs are on a first come first serve basis ****
Please select Guaranteed Price Protection Program price purchase option (check one box only):

Fixed price \$3.199/gallon Fuel 2-All gallons purchased will be billed at this price (400 gallon minimum)

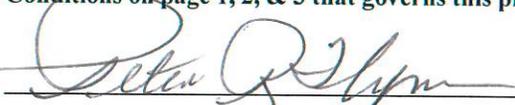
Account #	Location	Gallons used 2013-2014	Gallons Requested this Year
3527-00	1 Central Square	2707.0	
5897-00	7 Meeting House Rd	3363.5	
5897-01	School Generator	0.0	
5897-02	Police Station	796.5	
5897-03	Highway Garage	884.5	
5897-04	Wason Bldg	1683.7	
5897-07	Rec Center	421.0	
_____	other _____		
_____	other _____		
Total Gallons Requested:			
			?

REQUIREMENT CONTRACT

**** All price protection contracts require you to purchase all your heating oil from Putnam Fuel Co., Inc. from September 1, 2013 through April 30, 2014. All deliveries will be made by Automatic Delivery based on a computerized degree day scheduling program. See additional Terms & Conditions on page 1 & 2 that governs this program. ****

AUTHORIZED CUSTOMER SIGNATURE
 I have READ and ACCEPTED the Terms &
 Conditions on page 1, 2, & 3 that governs this program.

PUTNAM FUEL CO., INC.



 TOWN ADMINISTRATOR

Approved By: _____

***** PRICES ARE SUBJECT TO CHANGE WITHOUT NOTICE *****