

**FLATHEAD HIGH SCHOOL DISTRICT
Glacier High School**

**Request for Proposals
Bio-mass Supply**

July 1, 2009

Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply

Invitation to Bid

PUBLIC NOTICE

**INVITATION TO BID FOR BIOMASS FUEL SUPPLY
FLATHEAD COUNTY HIGH SCHOOL DISTRICT NO. 5**

The Board of Trustees, Flathead County High School District No. 5, Kalispell, Montana is seeking written bids for the supply of woody biomass fuel to utilize in the wood-fired boiler located in the new Glacier High School [GHS] facility in Kalispell. The anticipated annual fuel usage will be 1000 green tons (averaging 30% moisture content). Fuel use will vary throughout the year, however, with greater consumption requirements during the heating months and significantly reduced consumption requirements during the summer and shoulder seasons.

Further information pertaining to this Invitation to Bid can be obtained from Chuck Cassidy, Director Facilities and Transportation, Administration Office, 224 1st Street East, Kalispell, Montana 59901 (406) 751-3404. To be considered, all bids must be directly submitted to the Office of District Clerk, C/O Todd Watkins, Central Office / Administrative Building, 233 First Avenue East, Kalispell, MT 59901 by 2:00 p.m. (local time), July 8, 2009. **ONLY BIDS RECEIVED AT THE SCHOOL DISTRICT NO. 5 OFFICE ON OR BEFORE THAT TIME WILL BE CONSIDERED -- FAX BIDS WILL NOT BE ACCEPTED.** All bids will be opened and read aloud at that time and place and taken under advisement. A recommendation as to which bid (if any) should be accepted will be made to the Board of Trustees by the Administration at its regular Board meeting scheduled for July 14, 2009, at the Kalispell Middle School. All bids must be sealed and plainly marked "Biomass Fuel Supply Bid".

The Board of Trustees of Flathead County High School District No. 5, Kalispell, Montana reserves the right to reject any and all bids, to waive formalities, and to accept the bid deemed most advantageous to the School District.

Todd Watkins, District Clerk
School District No. 5 and Flathead High School District
233 First Avenue East
Kalispell, MT 59901

PUBLICATION DATES:

Daily Interlake

June 28, 2009

July 5, 2009

Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply

<u>Table of Contents</u>	<u>Page Number</u>
Introduction and Purpose of Invitation	3
Bid / Award Process	3
Bid Security	4
Contract Structure	4
Specifications	4-11
Anticipated Schedule of Events	11
Bid Form	12

**Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply**

INTRODUCTION AND PURPOSE OF INVITATION

Thank you for your interest. Please consider the contents of this document our invitation for your bid to provide a high-quality and reliable supply of woody biomass fuel to be utilize in the wood-fired boiler located in the new Glacier High School [GHS] facility in Kalispell. The anticipated annual fuel usage will be 1000 green tons (averaging 30% moisture content). Fuel use will vary throughout the year, however, with greater consumption requirements during the heating months and significantly reduced consumption requirements during the summer and shoulder seasons.

It is recommended and strongly suggested that all potential bidders schedule a visit to the GHS biomass facility to view the present dimensions of the fuel storage area and the newly modified conveying system to insure the product they are proposing to provide can be easily store and handled by this system.

Kalispell Public Schools would also like to make all potential bidders aware of the interest that Eureka Public Schools has in requesting and accepting bids for a wood fuel to be used in their biomass boiler system during this similar time period, which maybe be beneficial or helpful when determining an over all wood fuel pricing.

It is the intent of the District to receive sealed bids from interested suppliers up to 2:00 p.m., July 8, 2009. Further information may be obtained from the following:

Chuck Cassidy, P.E., Director
Facilities and Transportation
School District No. 5
224 First Street East
Kalispell, MT 59901
(406) 751-3404 cassidyc@sd5.k12.mt.us

BID / AWARD PROCESS

To be considered, all bids must be directly submitted to the Office of District Clerk, C/O Todd Watkins, Central Office / Administrative Building, 233 First Avenue East, Kalispell, MT 59901 by 2:00 p.m. (local time), July 8, 2009. Each bidder is required to provide with their bids a (1 gallon) container of the product they are proposing to provide if awarded this bid. All bids will be opened and read aloud at that time and place and taken under advisement by the Board of Trustees. A recommendation as to which bid (if any) should be accepted will be made to the Board of Trustees by the Administration at its regular Board meeting scheduled for July 14, 2009, at the Kalispell Middle School All bids must be sealed and plainly marked "Biomass Fuel Supply Bid".

The District anticipates awarding a contract to the lowest responsible and responsive bidder, as measured by the specifications set forth in this Invitation to Bid. The Board of Trustees of Flathead County High School District No. 5, Kalispell, Montana reserves the right, however, to reject any and all bids, to waive formalities, and to accept the bid deemed most advantageous to the School District.

For further information, please contact Chuck Cassidy, Director, Facilities and Transportation, at (406) 751-3404.

Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply

BID SECURITY

In accordance with the requirements of § 18-1-201 *et seq.* MCA, each bid must be accompanied by either (1) lawful money of the United States, (2) cashier's check, certified check, bank money order, or bank draft, in any case drawn and issued by a federally chartered or state-chartered bank insured by the FDIC or (3) a bid bond or bond executed by a surety company authorized to do business in the State of Montana, and made payable to the District in the amount of ten (10) percent of the bid. Such check or bond will be returned to all except the three (3) lowest bidders within three (3) days after the opening of the bids, and the remaining checks or bonds will be returned promptly after the District and the accepted bidder have executed the supply contract, but in no event any later than sixty (60) days after the date of the opening of bids.

CONTRACT TERM AND STRUCTURE

The contract will run from August 1, 2009 through July 31, 2010. Unless terminated earlier in accordance with its terms, and may be extended for an additional two year period upon mutual agreement of the parties. The contract documents for this fuel supply contract will consist of the terms of this Invitation to Bid (including but not limited to the following Specifications), the Bid Form and a separate written contract to be entered into between the Board of Trustees and the successful bidder.

SPECIFICATIONS

PREFERRED FUEL TYPE

The following specifications are for the preferred fuel type, which is intended to clearly describe the anticipated tolerances for the biomass boiler equipment. In practical terms, compliance issues with size and material specifications will only occur if and when problems are encountered with fuel feeding through the system, or with ash production or other significant maintenance problems associated with fuel composition. When and if necessary, compliance with size specifications will be measured by determining that 100% of a representative sample of fuel delivered passes through an inclined vibratory screen with 4" round holes, and not more than 10% passes through a screen with ¼" holes.

1. Fuel shall be biomass comprised of wood wastes of conifer or deciduous trees processed as described below.
2. Fuel shall be reduced to a size range, which can be efficiently fired in the Glacier High School boiler installation. The desired size range is from ¼" in each dimension up to 2 ½" X 2 ½" X ½". Up to 50% of the fuel by volume can be up to 4" X 4" X ½". Up to 10% of the material by weight can be sawdust, smaller than ¼" cubed, except that **no wood flour** (see #3, below) is permitted. The required percentages are measured on a per delivery basis.
3. Sander dust or wood flour, which is biomass comprised of very fine wood powder that feels greasy to the touch and becomes easily airborne, **will not** be permitted. Typically wood flour is defined as 60-80 mesh.
4. The moisture content of the fuel shall not exceed 45% wet weight basis per delivery. Wet basis is calculated by (dry weight ÷ wet weight) 100. Desired range of moisture content is between 20% and 35%. Fuels below 10% average moisture content per delivery will generally not be permitted unless prior arrangements have been made (e.g., commercial pellets of 5% or less moisture may occasionally be used). Fuels above 45% moisture content are unacceptable and will be required to be removed at the Supplier's expense.

Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply

5. Fuel shall be free from non-combustible and non-biomass material, such as paint, nails, glues, rocks, dirt. If it is determined that fuel supplied is outside the specification listed in this contract. The supplier will have the choice of two options.
 - A. Physically remove the non-compliant fuel from the storage bin and replace with a compliant fuel.
 - B. Leave the non-compliant fuel and in which case the customer will make arrangements to have it disposed of and the Supplier will be liable for all associated cost and any monetary penalties as listed in this agreement.
6. The supplier must take care to eliminate sources of dirt and rocks to the greatest extent possible, although minimal amounts of dirt and rocks in slash obtained from whole tree skidding operations is expected. Any damage to boiler or conveyance equipment resulting from dirt, rocks or otherwise contaminated or non-compliant fuel will be the financial responsibility of the fuel supplier.
7. Fuel supply in the storage bin must be maintained at not less than 1/4 capacity. Bin shall be filled to an acceptable capacity upon a verbal request from School District staff.
8. The contractor must maintain adequate and accurate records and documentation of fuel sources and provide them to the District upon request. All wood fuel is to be obtained in a safe and legal manner.

ALTERNATIVE FUEL TYPE

In early 2009 the District made modification to its biomass boiler conveying system, which allowed it the ability to make use of a wide range of fuel types beyond the specifications of those listed under the “Preferred Fuel Type”. These system modifications now allow the District and its biomass boiler system to convey and use alternative fuels such as ground fuel (hog fuel) and pellets of a certain dimension and moisture content.

Due to the wide range of alternative fuels that are available in the market, which do not fall within the “Preferred Fuel Type” specification. The District is interested in considering bids from Suppliers of these alternative fuels during this bidding process.

The specification for the alternative fuels will be similar in nature to those listed in the “Preferred Fuel Type” in regards to the following:

1. Fuel shall be biomass comprised of wood wastes of conifer or deciduous trees.
2. The moisture content of the fuel shall not exceed 45% wet weight basis per delivery. Wet basis is calculated by $(\text{dry weight} \div \text{wet weight}) \times 100$. Desired range of moisture content is between 20% and 35%. Fuels below 10% average moisture content per delivery will generally not be permitted unless prior arrangements have been made (e.g., commercial pellets of 5% or less moisture may occasionally be used). Fuels above 45% moisture content are unacceptable and will be required to be removed at the Supplier’s expense.
3. Up to 10% of the material by weight can be sawdust, smaller than 1/4” cubed, except that **no wood flour** (see #4, below) is permitted. The required percentages are measured on a per delivery basis.

Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply

4. Sander dust or wood flour, which is biomass comprised of very fine wood powder that feels greasy to the touch and becomes easily airborne, **will not** be permitted. Typically wood flour is defined as 60-80 mesh.

All alternative fuels and Suppliers must comply with the remaining requirements of this bid document. The final determination to enter into a contract with the Supplier of an “Alternative Fuel Type” will be at the discretion of the District and will be based on the District’s determination that the fuel to be provided will be conveyed and used by the existing biomass boiler system in a way that will not require additional modification to be made or result in adverse effect on the biomass boiler system or reduce the life expectancy of the biomass boiler system.

MOISTURE CONTENT SURCHARGES AND PENALTIES

Monthly payments for fuel deliveries shall be adjusted as follows for moisture content:

- For each delivery between 36% and 40% moisture, 15% of the price per ton delivered shall be deducted from the next monthly payment.
- For each delivery between 41% and 45% moisture, 25% of the price per ton delivered shall be deducted from the next monthly payment.
- For deliveries over 45% moisture, the delivery will be refused and or removed at Suppliers expense
- For each delivery between 25% and 35% moisture, there will be no changed in the price per ton.
- For each delivery between 10% and 24% moisture, 5% of the price per ton shall be added to the next monthly payment.

OFF-SITE STOCKPILE / RESERVE SUPPLY

It is the Supplier’s responsibility to procure, store and protect the fuel in such a manner as to be usable when delivered to Glacier High School. A reserve supply of at least 300 tons of fuel must be established by no later than December 1, 2009, so that the reserve is available to draw from during inclement weather or hazardous transportation conditions. In any subsequent year, a reserve supply of at least 500 tons must be established by no later than December 1st. The reserve supply can be a secured off-site stockpile, an identified and contracted local quantity available from local sub-suppliers such as post & pole plants, or a combination of a stockpile and a contracted local quantity. Bidders are required to describe how they anticipate meeting the off-site storage/reserve supply requirements on their Bid Form and the District reserves the right to award the contract based on considerations of BOTH price and the character of the proposed off-site stockpile / reserve supply arrangements.

ON-SITE STORAGE / DELIVERY

The fuel storage bin at the GHS facility was designed to hold approximately 30 to 50 tons of fuel, depending on the type of fuel selected and there will be adequate room to allow a tractor and 52’ trailer to back up into the storage bin. The storage bin door is 16’ high by 12’ wide and the storage bin floor is on grade. The storage area is designed to accommodate walking floor chip vans, pneumatic system or conveyer belt style delivery. It IS NOT designed to accommodate dump-style delivery, but prospective bidders may present, as a component of their bid, an alternative proposal for the use of such equipment and a clear description of how the bidder will efficiently make deliveries with such equipment and systems. The Supplier will be responsible for making timely and efficient deliveries and cleaning up any spills of wood fuel on District property.

Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply

The fuel supply in the GHS storage bin must be maintained at not less than 1/4 capacity or 14.5 tons. Bin shall be filled to an acceptable capacity upon a verbal request from School District staff. The ANTICIPATED maximum fuel demand may be **45 TONS** per week. Typical weekly demand during the main heating season could be as high as 30 to 35 tons. The Supplier and the customer will remain in regular contact and if need be the Supplier may be required to visit the GHS facility as often as necessary to determine quantities needed and delivery dates and times. The timing of all deliveries must be coordinated with GHS facilities personnel and the District reserves the right to structure delivery times as may be necessary to avoid conflicts with District operations and/or traffic. The Supplier is required to work cooperatively with all parties to avoid problems with storage, wait time of the delivery drivers, overloading of the system, and to allow time for maintenance of the system and equipment.

The Supplier will remain aware of pedestrian and vehicular traffic at all times and exercise due care and diligence to prevent any injury or damage to property or to students, staff and members of the public attendant to its activities in fulfilling its obligations to the District under the fuel supply contract.

Unless otherwise agreed, all fuel delivered and accepted by the District will be weighed on a scale agreed upon by the District and certified by the State of Montana Department of Weights and Measures. Annual proof of Certification of the Suppliers scale must be filed with the District.

The weight thereby determined, in conjunction with moisture content measurements specified below, shall be the basis for calculating the amount of any payments due the Supplier.

QUALITY CONTROL

GHS facility and/or other District representatives will pull samples from each load of fuel delivered to the District to insure that the fuel is in compliance with size requirements and non-combustible or non-biomass material. A determination on fuel that is on-compliant will be made between the District and the Supplier. If the District and the Supplier can not make the determination jointly, then the default will be that it is considered to be a non-compliant fuel and will be removed at the Suppliers expense.

Average moisture content shall be determined by the District for each delivery using the following or similar method:

1. Pull sample from delivery
2. Determine moisture content weight on digital scale
3. Place sample in kitchen oven at 250 degrees for 5 hours
4. Determine dry weight on digital scale
5. Subtract dry weight from wet weight to determine moisture content
6. Divide wet weight into moisture content and multiply by 100
7. Repeat this process for at least 2 samples from different parts of the load, and average the results.

Samples will be representative of the entire load and any samples provided by the Supplier and/or its drivers will not be acceptable. The District will maintain documentation of the timing and results of all samplings and will provide that documentation to Supplier on a bi-monthly basis if so requested.

**Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply**

The Supplier will upon delivery provide to the Districts representative the actual or a copy of the weight ticket for the load being delivered. This weight ticket must clearly show the empty and full weight of the delivery vehicle, the actual weight of the fuel being delivered, the date in which the weight was taken, the date the fuel was delivered to the District and must be initialed by the driver of the delivery vehicle.

Non-combustible content shall be measured by the District on an as-needed basis as follows:

1. Collect a sample from a load as delivered at the GHS facility.
2. Weigh the sample and record as wet weight.
3. Burn sample in muffle furnace at 1,200 degree. F. for 3 hours.
4. Weigh the material remaining and record as non-combustible weight.
5. Divide the wet weight into the non-combustible weight and multiply by 100 to determine the % non-combustible content as delivered.

PAYMENT

Beginning August 15, 2009, invoicing for fuel deliveries must be received by the District on or before the 15th of each month with payment to be made on or before the 20th of each month. Payment for invoicing received after the 15th of each month will be made on the following month

FUEL ESCALATION

The Supplier will be entitled to a fuel (gas/diesel) escalation surcharge, calculated monthly and based on the following table:

AT LEAST	BUT LESS THAN:	SURCHARGE
	\$3.29	0%
\$3.29	\$3.47	.5%
\$3.47	\$3.65	.75
\$3.65	\$3.83	1.0%
\$3.83	\$4.01	1.25%
\$4.01	\$4.19	1.50%
\$4.19	\$4.37	1.75%
\$4.37	\$4.55	2.0%

If the fuel surcharge rises above 2% the table will be updated. For purposes of making any monthly surcharge calculation, the price of diesel will be the average of the most recent four weeks posted on the U.S. Department of Energy's Weekly Retail On-Highway Diesel Prices at: (Rocky Mountain Region)

<http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>

Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply

DEFAULT IN DELIVERY / TERMINATION

The District's intent in entering into this contract is to utilize wood biomass fuel in lieu of natural gas and any failures by the Supplier to affect the timely and reliable delivery of fuel to the District will defeat the primary purpose of the contract. Accordingly, on any day in which the fuel supply bin at GHS becomes or remains empty for any length of time, or contains only non-compliant fuel, a monetary penalty of \$400/day will be assessed and withheld from the Supplier's next scheduled payment.

If the Supplier at any time fails to perform its obligations under the contract and does not cure such failure within five (5) days of its receipt of written notice from the District, the District may immediately terminate the contract and seek damages from the Supplier for the breach of its obligations, including but not limited to any costs and expenses attendant to securing alternative sources of biomass fuel and/or utilizing other fuel sources in lieu of biomass fuel.

COMPLIANCE WITH LAWS / NONDISCRIMINATION

In providing services under the contract, the Supplier is required to fully comply with all federal, state or local laws, rules and regulations applicable to its operations and to warrants that any subcontractors it may hire will comply as well. Any hiring undertaken by the Supplier or its subcontractors in the performance of this contract will be made on the basis of merit and qualifications and it is strictly prohibited from discriminating on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability or national origin.

DISPUTE RESOLUTION

The contract will be governed by the laws of Montana and any litigation concerning the contract must be brought in the Montana Eleventh Judicial District Court in Kalispell. In the event that either party files suit to enforce their rights under the contract, the prevailing party will be entitled to recover their costs and attorneys fees from the other party, in addition to any other damages awarded by the Court.

INDEMNITY / INSURANCE

The Supplier will perform its services under the contract entirely at its own risk, and the Supplier will assume all responsibility for its performance of the contract. The Supplier will agree to indemnify and hold harmless the District, its officers, employees and students from any and all claims, demands, and causes of action of any kind or character, including reasonable attorneys fees and costs, arising in favor of the Supplier's employees or anyone else on account of bodily or personal injuries, death or damage to property arising out of the services performed by the Supplier or in any way resulting from the acts or omissions of the Supplier and/or its agents, employees, subcontractors or anyone else for whom the Supplier is responsible.

The Supplier will be required to carry and maintain appropriate workers compensation coverage for all of its employees and will be required to provide proof of such coverage to the District prior to commencing the provision of services under the contract.

In addition, the Supplier will be required to carry and maintain the insurance coverage outlined below from an insurance company (or companies) authorized to write insurance in the State of Montana, with a minimum "A.M. Best Rating" of A. The Supplier will be required to carry and maintain both (1) appropriate comprehensive general liability insurance extending coverage to its activities under the contract, including personal injury liability, bodily injury liability and property damage coverage, with a

Flathead High School District No. 5
Flathead County
Glacier High School
Kalispell, Montana
Invitation to Bid – Biomass Fuel Supply

combined single limit of \$ 1 million per occurrence and \$ 2 million aggregate per year and (2) appropriate commercial automobile coverage as follows:

Bodily Injury and Property Damage:
Coverage to include --All owned autos, All hired autos, All non-owned autos
Combined Single Limits: \$1,000,000.00 each accident
Uninsured / Underinsured Motorist Limits: \$1,000,000.00

Any deductible or self-insured retention amount must be declared to and approved by the District. The District shall be named as an additional insured on such coverage's and each must contain at least a forty-five (45) day notice of cancellation provision.

Anticipated Schedule of Events

ITB Published:	June 28, 2009 and July 5, 2009
Bids Due	July 8, 2009
Board Action on Recommendation re: Award	July 14, 2009
Finalize Contract Structure	August 01, 2009
Contract Documents Signed	August 10, 2009
Fuel Deliveries Commence	August 15, 2009

BID FORM

BIOMASS FUEL SUPPLY

TO: Office of District Clerk
C/O Todd Watkins
Flathead County High School District No. 5
233 First Avenue East
Kalispell, MT 59901

BIDDER: _____

ADDENDAS RECEIPT: The Bidder acknowledges receipt of the following Addenda:

Addendum No. ____ dated _____.
Addendum No. ____ dated _____.
Addendum No. ____ dated _____.

BID OFFER: The undersigned Bidder, having carefully reviewed the Invitation to Bid and accompanying materials (including but not limited to the specifications) and having carefully ascertained the conditions under which the contemplated services are to be performed, hereby BID and offer to enter into a contract to perform those services for the following price:

Numerical: \$_____ per delivered green ton of biomass fuel

Written: \$_____ Dollars per delivered green ton of biomass fuel

**DESCRIPTION OF OFF-SITE STORAGE / RESERVE SUPPLY ARRANGEMENTS
(See Specifications, P. 6):**

ALTERNATIVE PROPOSAL FOR DUMP-STYLE DELIVERY (See Specifications, P. 6):

The Bidder agrees that this Bid shall remain open for acceptance and the price shall remain firm and unchanged, notwithstanding any error in the Bid, at the amount set forth above for a period of thirty (30) days from the opening of this Bid.

The Bidder understands and acknowledges that this Bid is subject to acceptance by the District and to the preparation and execution of a contract document. The Bidder agrees to execute the contract within fourteen (14) days of any notification of the acceptance of its bid and to provide proof of all insurance required under the contract at that time.

The Bidder acknowledges that if s/he has not answered all of the above questions and completed all applicable blanks, his/her bid may be rejected as incomplete and non-responsive.

THIS BID IS SUBMITTED BY:

Company: _____

Signature of Bidder: _____

Printed Name: _____

Title: _____

Telephone No.: _____

Fax No.: _____