

DEFENSE ENERGY SUPPORT CENTER  
8725 JOHN J. KINGMAN ROAD, SUITE 4950  
FT. BELVOIR, VA 22060-6222

CONTRACT BULLETIN SUPPLEMENT #2  
TO CONTRACT BULLETIN SP0600-99-3000

ORDERING PERIOD: 01 AUGUST 1999 THROUGH 31 JULY 2002

August 31, 2000

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1. Effective August 31, 2000, delete Bulletin Clause Numbers 7 and 9, PROCESSING RECEIPT DOCUMENTS (DESC SEP 1996) and TAXES (DESC APR 1994) from the Contract Bulletin and replace with the following:

7. PROCESSING RECEIPT DOCUMENTS (DESC JUL 2000)

(a) DoD Agencies.

(1) Army, Navy, Marine Corps, and other DoD components (excluding Air Force, except for capitalized items - see (b) below) that are part of the Single Point Payment Program for PC&S Petroleum Contracts are subject to Nav Comp 700.42 (Navy and Marine Corps) and USAPC (formerly USAGMPA) letter of instruction dated December 11, 1987 (Army, Corps of Engineers, National Guard). Questions or inquiries concerning these instructions should be directed to the appropriate activity (NAV PET, USAPC, DESC).

(2) **Noncapitalized Items.** Within two working days of receipt of product, receiving activities shall transmit a copy of the appropriate DD Form 1155, DD Form 250, DD Form 250-1 (for barge deliveries only), or SF 1449 to the below address for input into the Defense Fuel Automated Management System (DFAMS). DFAMS is the accounting system utilized to process Posts, Camps, and Stations (PC&S) fuel orders, shipments, and receipts and is also the system that initiates the billing process through the Defense Finance and Accounting Service, Columbus Center (DFAS-CO), for all DoD Agencies (except Air Force) and capitalized items (including Air Force capitalized items).

DESC-FII  
DEFENSE ENERGY SUPPORT CENTER  
8725 JOHN J KINGMAN RD SUITE 4950  
FORT BELVOIR VA 22060-6222

Commercial telephone: (703) 767-9393 or DSN 427-9393  
Commercial facsimile: (703) 767-9380/9397 or DSN 427-9380/9397

(3) **Capitalized Items.** Within two working days of receipt of product, receiving activities shall input receipt information into the DFAMS via Fuels Control Center or other electronic systems installed at their activity. Copies of receipt documents shall be submitted to DESC-FII upon request.

(4) The DD Form 1155, DD Form 250, or SF 1449 shall reflect the net quantity received for all f.o.b. destination line items requiring volume correction. The gross quantity received shall be entered for all other destination line items. The terms and conditions of the DETERMINATION OF QUANTITY clause of this contract bulletin should be used to determine whether net or gross quantity should be entered on the receipt document.

(5) Modifications to any of the above listed documents must also be submitted to DESC-FII for input into DFAMS.

(6) The Contractor is responsible for preparation of the receiving report (DD Form 250-1) for barge deliveries. Preparation of receiving reports (DD Form 1155, DD Form 250, or SF 1449) for all other types of deliveries is the receiving activity's responsibility unless otherwise addressed in each Customer Organized Group (COG) contract bulletin.

(b) Air Force and Federal Agencies.

(1) Within two working days of receipt of product, receiving activities shall transmit a copy of the appropriate DD Form 1155, DD Form 250, DD Form 250-1 (for barge deliveries only), or SF 1449 to the paying office stated on the delivery order.

(2) The DD Form 1155, DD Form 250, or SF 1449 shall reflect the net quantity received for all f.o.b. destination line items requiring volume correction. The gross quantity received shall be entered for all other destination line items. The terms and conditions of the DETERMINATION OF QUANTITY clause of this contract bulletin should be used to determine whether net or gross quantity should be entered on the receipt document.

(3) Modifications to any of the above listed documents must also be submitted to the paying office.

(4) The Contractor is responsible for preparation of the receiving report (DD Form 250-1) for barge deliveries. Preparation of receiving reports (DD Form 1155, DD Form 250, or SF 1449) for all other types of deliveries is the receiving activity's responsibility unless otherwise addressed in each COG contract bulletin.

**9. TAXES (DESC JUN 1997)**

(a) **DIESEL FUEL, MOTOR GASOLINE, AND GASOHOL TAXES.** The fuel prices listed in this bulletin **DO NOT** include the Federal Excise Tax of \$0.243 per gallon on diesel fuel, \$0.183 per gallon on motor gasoline, or \$0.129 per gallon on gasohol. Fuel used off road may be sold by certain sellers without the Federal Excise Tax. If the activity is billed for the tax on diesel fuel, motor gasoline, or gasohol used off road, the activity may request reimbursement from the IRS by completing IRS Form 843. If the vehicle is used on the highway during any portion of a calendar quarter, any fuel used in that vehicle for that calendar quarter does not qualify for exemption. Additional information regarding Federal, State, and local taxes is stated in the FEDERAL, STATE, AND LOCAL TAXES (DEVIATION) and FEDERAL, STATE, AND LOCAL TAXES EXCLUDED FROM THE CONTRACT PRICE clauses contained in this bulletin.

(b) **HEATING FUEL TAX.** There is no Federal Excise Tax on fuel produced for heating purposes.

(c) **TAX EXEMPTION CERTIFICATES.** Procedures for requesting and processing tax exemption certificates are identified in the TAX EXEMPTION CERTIFICATES clause contained in this bulletin.

(d) The activity shall provide appropriate certifications of intended use as may be necessary to assist a Contractor in complying with IRS regulations regarding the tax-free sale of heating oils. However, it is the Contractor's responsibility to ensure compliance with IRS regulations. Questions regarding the procedures to be followed should be addressed to the IRS.

**2. SEGMENT V, CONTRACT CLAUSES AND PROVISIONS, is revised as follows:**

A. The following clauses are hereby deleted from all COG 3 Contracts.

**DELETED**

C16.69, FUEL SPECIFICATIONS (PC&S)(DESC FEB 1999)

G150.06, SUBMISSION OF INVOICES FOR PAYMENT (DOMESTIC PC&S)(DESC FEB 1999)

G150.11, SUBMISSION OF INVOICES BY FACSIMILE (DESC FEB 1999)

I1.03-9, CONTRACT TERMS AND CONDITIONS – COMMERCIAL ITEMS (PC&S) (PORTS INTERNET APPLICATION)  
– ADDENDUM (DESC MAR 1999)

I28.02-2, FEDERAL, STATE, AND LOCAL TAXES/FEES EXCLUDED FROM CONTRACT PRICE (DESC JAN 1999)

I28.03-2, TAX EXEMPTION CERTIFICATES (DFSC AUG 1995)

B. The following clauses are hereby added to all COG 3 Contracts and are included in full text. To direct your attention to the changes, the revisions have been annotated with a vertical line to the right of the clause. **NOTE: While Clauses C16.69, I28.02-2 and I28.03-2 are applicable to PORTS and NON-PORTS items, Clauses G150.06 and G150.11 will apply to Non PORTS items and Clause I1.03-9 to PORTS items.**

**REPLACED**

C16.69, FUEL SPECIFICATIONS (PC&S)(DESC MAR 2000)

G150.06, SUBMISSION OF INVOICES FOR PAYMENT (DOMESTIC PC&S)(DESC JUL 1999)

G150.11, SUBMISSION OF INVOICES BY FACSIMILE (DESC OCT 1999)

I1.03-9, CONTRACT TERMS AND CONDITIONS – COMMERCIAL ITEMS (PC&S) (PORTS INTERNET APPLICATION)  
– ADDENDUM (DESC AUG 1999)

I28.02-2, FEDERAL, STATE, AND LOCAL TAXES/FEES EXCLUDED FROM CONTRACT PRICE (DESC MAR 2000)

I28.03-2, TAX EXEMPTION CERTIFICATES (DESC JUL 1999)

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C. The effective date for the above-mentioned revision for each contract is as follows:

CONTRACT NUMBER	EFFECTIVE DATE
SP0600-99-D-4200	MAY 09, 2000
SP0600-99-D-4201	MAY 05, 2000
SP0600-99-D-4202	MAY 05, 2000
SP0600-99-D-4204	JUNE 15, 2000
SP0600-99-D-4205	MAY 05, 2000
SP0600-99-D-4206	MAY 15, 2000
SP0600-99-D-4212	MAY 09, 2000
SP0600-99-D-4213	MAY 12, 2000
SP0600-99-D-4214	MAY 22, 2000
SP0600-99-D-4215	MAY 05, 2000
SP0600-99-D-4216	MAY 05, 2000
SP0600-99-D-4217	MAY 08, 2000
SP0600-99-D-4218	MAY 05, 2000
SP0600-99-D-4220	MAY 11, 2000
SP0600-99-D-4222	MAY 10, 2000
SP0600-99-D-4223	MAY 11, 2000
SP0600-99-D-4401	MAY 15, 2000
SP0600-99-D-4402	MAY 10, 2000
SP0600-99-D-4403	MAY 05, 2000
SP0600-99-D-4404	MAY 05, 2000
SP0600-99-D-4405	MAY 04, 2000
SP0600-99-D-4408	MAY 16, 2000
SP0600-99-D-4409	MAY 09, 2000
SP0600-99-D-4413	MAY 12, 2000
SP0600-99-D-4414	MAY 05, 2000
SP0600-99-D-4415	MAY 09, 2000
SP0600-99-D-4416	MAY 05, 2000
SP0600-99-D-4417	MAY 05, 2000
SP0600-99-D-4419	MAY 05, 2000
SP0600-99-D-4420	JULY 12, 2000
SP0600-99-D-4423	MAY 15, 2000
SP0600-99-D-4424	MAY 24, 2000
SP0600-99-D-4425	MAY 10, 2000
SP0600-99-D-4426	MAY 11, 2000
SP0600-99-D-4428	MAY 24, 2000
SP0600-99-D-4429	MAY 09, 2000
SP0600-99-D-4430	MAY 10, 2000
SP0600-99-D-4431	MAY 11, 2000
SP0600-99-D-4433	MAY 11, 2000

**C16.69 FUEL SPECIFICATIONS (PC&S) (DESC MAR 2000)**

Supplies delivered under this contract shall conform to all Federal, State, and local environmental requirements applicable to the geographic location of the receiving activity on the date of delivery. The list of such requirements contained in this contract is not intended to be a complete list, and the Contractor shall be responsible for determining the existence of all such requirements at the time deliveries are made. In the event that a Federal, State, or local environmental requirement is more stringent than a specification contained in this contract, the Contractor shall deliver product that complies with the more stringent requirement. Product that fails to meet the more stringent requirement will be considered to be a nonconforming supply. Product(s) to be supplied shall fully meet the requirements of the applicable specification(s) as cited below.

**NOTE:** Gasoline Reid Vapor Pressure (RVP) specification requirements are seasonal and vary geographically throughout the United States. Therefore, Contractors are expected to know the local, State, or Federal RVP requirements of areas being supplied and comply with those requirements.

(a) **GASOLINE, AUTOMOTIVE, UNLEADED, GRADES REGULAR, MIDGRADE, AND PREMIUM.** ASTM D 4814 applies.

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE (6)</u>	<u>AKI, MINIMUM (1)</u>
9130-00-148-7103	Gasoline, Regular Unleaded	87(3)
9130-01-272-0983	Gasoline, Midgrade Unleaded	89
9130-00-148-7104	Gasoline, Premium Unleaded	91

(1) The following oxygenates are permitted at this time:

<u>OXYGENATE</u>	<u>VOLUME % ALLOWED</u>
Ethanol (only during the oxygenated fuel season)	9.0 min. to 11.0 max.
Methyl tertiary-butyl ether (MTBE)	15.0 max.
Ethyl tertiary-butyl ether (ETBE)	17.0 max.

(2) Reductions for altitude and seasonal variations are allowed for all AKI values in accordance with figures X1.2 and X1.3 of ASTM D 4814.

(3) In addition to an AKI of 87 minimum, the MON must not be less than 82.

(4) Blending of oxygenates into gasoline to meet oxygenated fuel requirements shall be accomplished by mechanical mixing or agitation in a tank, or by in-line blending, prior to loading the product into transport equipment, and the resultant product must meet contract requirements.

(5) See the SPECIFICATIONS (CONT'D) clause for additional regional gasoline requirements.

(b) **GASOHOL, AUTOMOTIVE, UNLEADED, GRADES REGULAR, MIDGRADE, AND PREMIUM.** In accordance with Executive Order 12261 of January 5, 1981, "Gasohol in Federal Motor Vehicles," Gasohol may be considered an acceptable substitute for Unleaded Gasoline. The Unleaded Gasoline items that permit the substitution of Gasohol are identified in the Schedule. Contractors are required to state, for each line item in their offer, whether Gasohol will be provided. Contractors will not be permitted to substitute Unleaded Gasoline under line items awarded as gasohol. Also, Contractors are not permitted to substitute gasohol for gasoline under line items awarded as gasoline, except when Government regulations mandate use of fuel containing an oxygenate for control of carbon monoxide pollution. CID A-A-52530 dated October 10, 1995, applies.

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	<u>AKI, MINIMUM (1)</u>
9130-01-090-1093	Gasohol, Regular Unleaded	87
9130-01-355-2393	Gasohol, Midgrade Unleaded	89
9130-01-090-1094	Gasohol, Premium Unleaded	91

(1) Reductions for altitude and seasonal variations are allowed for all AKI values in accordance with figures X1.2 and X1.3 of ASTM D 4814.

(2) Blending of ethanol into gasoline to make gasohol shall be accomplished by mechanical mixing or agitation in a tank, or by in-line blending, prior to loading the product into transport equipment, and the resultant product must meet contract requirements.

(3) See the SPECIFICATIONS (CONT'D) clause for additional regional requirements affecting gasohol.

(c) **REFORMULATED GASOLINE, AUTOMOTIVE, UNLEADED, GRADES REGULAR, MIDGRADE, AND PREMIUM.** ASTM D 4814 applies, as modified by the Environmental Protection Agency (EPA) requirements detailed in 40 CFR Part 80 - "Regulation of Fuels

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and Fuel Additives; Standards for Reformulated and Conventional Gasoline; Final Rule," published in the February 16, 1994 Federal Register. In part, these regulations mandate that reformulated gasoline must meet two performance requirements: no net increase in emissions of oxides of nitrogen versus the baseline gasoline marketed by a refiner in 1990; and a 15 percent reduction in emissions of volatile organic compounds (VOCs) versus the baseline gasoline marketed by a refiner in 1990. Further, these regulations mandate that reformulated gasoline must meet three compositional requirements: 2.0 weight percent minimum oxygen; 1.0 volume percent maximum benzene; and no heavy metals (lead and manganese are examples of such metals).

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	<u>AKI, MINIMUM (1)</u>
9130-01-388-4080	Reformulated Gasoline, Regular	87
9130-01-388-4513	Reformulated Gasoline, Midgrade	89
9130-01-388-4524	Reformulated Gasoline, Premium	91

(1) Reductions for altitude and seasonal variations are allowed for all AKI values in accordance with figures X1.2 and X1.3 of ASTM D 4814.

(2) Blending of permissible oxygenate into gasoline shall be accomplished by mechanical mixing or agitation in a tank, or by in-line blending, prior to loading the product into transport equipment, and the resultant product must meet contract requirements.

(3) See the SPECIFICATIONS (CONT'D) clause for additional regional reformulated gasoline requirements.

(d) **DIESEL FUEL.** ALL FACILITIES REQUIRING DIESEL FUEL FOR ON-HIGHWAY USE SHALL BE SUPPLIED PRODUCT WITH A MAXIMUM SULFUR CONTENT OF 0.05 WEIGHT PERCENT.

**NOTE:** FROM JULY 1, 1999, TO JANUARY 1, 2004, ALASKA IS EXEMPT FROM THE DIESEL FUEL MAXIMUM SULFUR CONTENT OF 0.05 WEIGHT PERCENT FOR ON-HIGHWAY USE STATED. THIS TEMPORARY EXEMPTION IS PUBLISHED IN THE FEDERAL REGISTER (VOL 64) DATED 25 JUNE 1999, 40 CFR PART 69.

(1) **APPLICABLE TO GRADES DL2, DL1, DLS, DLW, DF2, AND DF1 ONLY.** Product shall conform to the Commercial Item Description A-A-52557, Fuel Oil, Diesel, For Posts, Camps, and Stations, dated January 2, 1996. Product classification is shown below.

**LOW SULFUR GRADES**

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	<u>DESC PRODUCT CODE</u>	<u>MAXIMUM SULFUR CONTENT</u>	<u>RED DYE</u>
9140-00-000-0184	Grade Low Sulfur No. 2-D	DL2	0.05 wt%	No
9140-00-000-0185	Grade Low Sulfur No. 1-D	DL1	0.05 wt%	No
9140-01-413-7511	Grade Low Sulfur No. 2-D	DLS	0.05 wt%	Yes
9140-01-412-1311	Grade Low Sulfur No. 1-D	DLW	0.05 wt%	Yes

**HIGH SULFUR GRADES**

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	<u>DESC PRODUCT CODE</u>	<u>MAXIMUM SULFUR CONTENT</u>	<u>RED DYE</u>
9140-00-286-5294	Grade No. 2-D	DF2	0.50 wt%	Yes
9140-00-286-5286	Grade No. 1-D	DF1	0.50 wt%	Yes

(i) Unless otherwise specified in the Schedule, the cloud point shall be equal to or lower than the tenth percentile minimum ambient temperature specified in Appendix X4 of ASTM D 975.

(ii) Fuel Stabilizer Additive, Corrosion Inhibitor/Lubricity Improver, and Fuel System Icing Inhibitor are not mandatory additives.

(iii) As a means of identification, the Internal Revenue Service (IRS) requires that a red dye, identified as Solvent Red 164 (alkyl derivatives of azo benzene azo naphthol), must be added to all nontaxable diesel and all nontaxable kerosene used for purposes other than military jet fuel. The definitions of diesel and kerosene are provided in 26 CFR Section 48.4081-1. The minimum concentration is provided in 40 CFR Part 80.

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(iv) **FOR ALASKA LOCATIONS.** From July 1, 1999, to January 1, 2004, Alaska is exempt from the EPA's diesel fuel dyeing requirements stated in 40 CFR Part 80 as long as the diesel fuel meets a minimum cetane index of 40. This temporary exemption is published in the Federal Register (Vol 64) dated 25 June 1999, 40 CFR Part 69.

(A) In the event high-sulfur diesel fuel is shipped from Alaska to the lower 48 states, it would be necessary for the producer or shipping facility to add dye to the noncomplying fuel before it is introduced into commerce in the lower 48 states. In addition, supporting documentation must clearly indicate the fuel may not comply with the sulfur standard for motor vehicle diesel fuel and is not to be used in a motor vehicle.

(B) Conversely, EPA will not require high sulfur diesel fuel to be dyed if it is being shipped from the lower 48 states to Alaska, but supporting documentation must substantiate that the fuel is only for shipment to Alaska and that it may not comply with the sulfur standard for motor vehicle diesel fuel.

(2) **APPLICABLE TO GRADES LS2, LS1, LSS, LSW, HS2, AND HS1 ONLY.** Product shall conform to ASTM D 975. Product classification is shown below:

**LOW SULFUR GRADES**

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	<u>DESC PRODUCT CODE</u>	<u>MAXIMUM SULFUR CONTENT</u>	<u>RED DYE</u>
9140-01-398-0697	Grade Low Sulfur No. 2-D	LS2	0.05 wt%	No
9140-01-398-1130	Grade Low Sulfur No. 1-D	LS1	0.05 wt%	No
9140-01-413-4919	Grade Low Sulfur No. 2-D	LSS	0.05 wt%	Yes
9140-01-413-7494	Grade Low Sulfur No. 1-D	LSW	0.05 wt%	Yes

**HIGH SULFUR GRADES**

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	<u>DESC PRODUCT CODE</u>	<u>MAXIMUM SULFUR CONTENT</u>	<u>RED DYE</u>
9140-01-398-1395	Grade No. 2-D	HS2	0.50 wt%	Yes
9140-01-398-1422	Grade No. 1-D	HS1	0.50 wt%	Yes

(i) Unless otherwise specified in the Schedule, the cloud point shall be equal to or lower than the tenth percentile minimum ambient temperature specified in Appendix X4 of ASTM D 975.

(ii) As a means of identification, the IRS requires that a red dye, identified as Solvent Red 164 (alkyl derivatives of azo benzene azo naphthol) must be added to all nontaxable diesel and all nontaxable kerosene used for purposes other than military jet fuel. The definitions of diesel and kerosene are provided in 26 CFR Section 48.4081-1. The minimum concentration is provided in 40 CFR Part 80.

(iii) **FOR ALASKA LOCATIONS.** From July 1, 1999, to January 1, 2004, Alaska is exempt from the EPA's diesel fuel dyeing requirements stated in 40 CFR Part 80 as long as the diesel fuel meets a minimum cetane index of 40. This temporary exemption is published in the Federal Register (Vol 64) dated 25 June 1999, 40 CFR Part 69.

(A) In the event high-sulfur diesel fuel is shipped from Alaska to the lower 48 states, it would be necessary for the producer or shipping facility to add dye to the noncomplying fuel before it is introduced into commerce in the lower 48 states. In addition, supporting documentation must clearly indicate the fuel may not comply with the sulfur standard for motor vehicle diesel fuel and is not to be used in a motor vehicle.

(B) Conversely, EPA will not require high sulfur diesel fuel to be dyed if it is being shipped from the lower 48 states to Alaska, but supporting documentation must substantiate that the fuel is only for shipment to Alaska and that it may not comply with the sulfur standard for motor vehicle diesel fuel.

(3) **APPLICABLE TO ALL GRADES.** Blending of one grade of diesel fuel with another grade, or other compatible components, to produce a different grade or a variation within a grade is permitted. However, such blending shall be accomplished by mechanical mixing or agitation in a tank, or by in-line blending, prior to loading the product into transport equipment, and the resultant product must meet all the requirements of the desired fuel.

(4) **APPLICABLE TO DIESEL GRADE #1 ONLY.** DESC frequently requires #1 diesel fuel grades when it is anticipated that the fuel may be exposed to temperatures below 10°F (-12°C). This product shall conform to ASTM Specification D 975 or CID A-A-52557. Contractors electing to deliver kerosene to meet #1 diesel fuel requirements must--

(i) Provide certification to the Contracting Officer prior to 1 October of each year that the kerosene will meet #1 diesel fuel specifications, including specifically, viscosity and cetane index; **AND**

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(ii) For each delivery, submit relevant documents (delivery tickets, bills of lading, etc.) indicating that #1 diesel fuel is being delivered.

(e) **FUEL OIL, BURNER, GRADES 1, 2, 4(LIGHT), 4, 5(LIGHT), 5(HEAVY), AND 6 (VIRGIN FUEL OILS).** ASTM D 396 applies.

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	DESC <u>PRODUCT CODE</u>	<u>RED DYE</u>
9140-00-247-4366	Fuel Oil, Burner 1	FS1	<i>Yes</i>
9140-00-247-4365	Fuel Oil, Burner 2	FS2	<i>Yes</i>
9140-01-107-6139	Fuel Oil, Burner 4 (Light)	FL4	<i>Yes</i>
9140-00-247-4360	Fuel Oil, Burner 4	FS4	<i>No</i>
9140-01-058-4431	Fuel Oil, Burner 5 (Light)	FL5	<i>No</i>
9140-00-247-4359	Fuel Oil, Burner 5 (Heavy)	FS5	<i>No</i>
9140-00-247-4354	Fuel Oil, Burner 6	FS6	<i>No</i>

(1) These residual grades of burner fuel oil (Grades 4, 4(Light), 5(Light), 5(Heavy), and 6) shall consist of fossil-derived hydrocarbon stock. They may not contain used oil or other recycled petroleum components.

(2) Refer to the Schedule of the maximum allowable sulfur content for Burner Oil, Grades 4, 4(Light), 5(Light), 5(Heavy), and 6. The maximum allowable sulfur content for Burner Oil, Grades 1 and 2, shall be 0.5 weight percent or State/local environmental requirements, whichever is more stringent.

(3) Blending of various compatible grades of burner oil to produce an intermediate grade is permitted; however, such blending shall be accomplished by mechanical mixing or agitation in a tank, or by in-line blending, prior to loading the product into transport equipment, and the resultant product must meet all the requirements of the grade produced.

(4) The maximum allowable ash content for Burner Oil, Grade 6, shall be .50 weight percent using ASTM D 874, Standard Test Method for Sulfated Ash from Lubricating Oils and Additives.

(5) *Under United States regulations, Grades No. 1, 2, and 4 (Light) are required by 40 CFR Part 80 to contain a sufficient amount of the dye Solvent Red 164 so its presence is visually apparent. At or beyond terminal storage tanks, they are required by CFR Part 48 to contain the dye Solvent Red 164 at a concentration spectrally equivalent to 3.9 pounds per thousand barrels of the solid dye standard Solvent Red 26.*

(6) **APPLICABLE TO FUEL OIL, BURNER, GRADE #1 ONLY.** This product shall conform to ASTM D 396. Contractors electing to deliver kerosene (red dye) to meet #1 burner oil requirements must--

(i) *Provide certification to the Contracting Officer prior to 1 October of each year that the kerosene will meet #1 burner oil specifications, including specifically, viscosity, distillation, density and pour point; AND*

(ii) *For each delivery, submit relevant documents (delivery tickets, bills of lading, etc.) indicating that #1 burner oil is being delivered.*

(iii) *All kerosene delivered to meet #1 burner oil must be tax free, i.e., dyed in accordance with IRS regulations.*

(f) **FUEL OIL, BURNER, CONTAINING RECYCLED USED OILS, GRADES 4, 4(LIGHT), 5, 5(LIGHT), AND 6.** ASTM D 396 applies.

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	DESC <u>PRODUCT CODE</u>	<u>RED DYE</u>
9140-01-468-9083	Fuel Oil, Burner 4 (Light)	R4L	<i>Yes</i>
9140-01-468-9135	Fuel Oil, Burner 4	RF4	<i>No</i>
9140-01-468-9157	Fuel Oil, Burner 5 (Light)	R5L	<i>No</i>
9140-01-468-9147	Fuel Oil, Burner 5 (Heavy)	RF5	<i>No</i>
9140-01-468-9164	Fuel Oil, Burner 6	RF6	<i>No</i>

(1) Refer to the Schedule of the maximum allowable sulfur content for Burner Oil, Grades 4, 4(Light), 5(Light), 5(Heavy), and 6. The maximum allowable sulfur content for Burner Oil, Grades 1 and 2, shall be 0.5 weight percent or State/local environmental requirements, whichever is more stringent.

(2) These residual grades of burner fuel oil (Grades 4, 4(Light), 5(Light), 5(Heavy), and 6) shall consist of fossil-derived hydrocarbon stock. The product shall meet the following additional requirements:

ALLOWABLE

REQUIRED

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<u>CONSTITUENT/PROPERTY</u>	<u>TEST METHOD</u> <sup>1</sup>	<u>DETECTION LIMIT</u>	<u>MAXIMUM LEVEL</u>
1. Arsenic	EPA SW-846 6010 <sup>2,3,4</sup>	0.5 ppm max	5 ppm max
2. Cadmium	EPA SW-846 6010 <sup>2,3</sup>	0.2 ppm max	2 ppm max
3. Chromium	EPA SW-846 6010 <sup>2,3</sup>	1.0 ppm max	10 ppm max
4. Lead	EPA SW-846 6010 <sup>2,3</sup>	10 ppm max	100 ppm max
5. Total Halogens	EPA SW-846 5050/9056 <sup>5</sup>	NA	1000 ppm max
6. Flash Point	ASTM D 93	NA	100°F (38°C) min

**NOTES:**

1. Choose the appropriate sample preparation method as outlines in EPA SW-846, in order to achieve required detection limits.
2. Background correction must be performed for test method 6010. Laboratory control sample(s) (LCS) containing target analytes must be run for each Quality Control (QC) batch. The LCS must be matrix matched and made with commercially available National Institute of Standards and Technology (NIST) traceable organo-metallic standards. LCS recovery must fall between 80-120 percent. Adherence to all required method QC must be documented and available for review.
3. If the required detection limit of 0.5 ppm cannot be achieved by test method 6010, test method 7060 may be used in order to achieve that requirement. Background correction must be performed. Zeeman or Smith-Hieftje interference correction will be used. Deuterium interference correction will not be accepted under any circumstance. An analytical spike must be performed for each sample. LCS must be prepared and analyzed as outlined in Note 2 above. Adherence to all required method QC must be documented and available for review.
4. Test method 6020 may be used in place of test method 6010. LCS must be prepared and analyzed as outlined in note 2 above. Adherence to all required method QC must be documented and available for review.
5. A bomb blank must be run and analyzed for each QC batch. A LCS of an NIST traceable organic chloride must be run with each QC batch. LCS recovery must fall between 80-120 percent. Adherence to all required method QC must be documented and available for review.
  - (3) The above specification requirements reflect the Federal EPA specifications for used oil contained in 40 CFR Parts 266 and 279. If State or local requirements for used oil are more stringent, the fuel oil offered will be required to comply with such. Copies of SW-846 (Test Method for Evaluating Solid Waste) can be obtained from the U.S. Government Printing Office, Washington, DC 20422, stock number 955-001-00000-1. Test methods must be run by a State certified laboratory.
  - (4) The supply of off-specification used oil as described in EPA regulations, 40 CFR Parts 266 and 279, is not acceptable.

A CONTRACTOR WILL NOT BE PERMITTED TO SUPPLY PRODUCT CONTAINING USED OIL UNLESS (1) IT DISCLOSED IN ITS OFFER THAT PRODUCT WOULD CONTAIN USED OIL, AND (2) THE SUPPLY OF PRODUCT CONTAINING USED OIL IS APPROVED BY THE CONTRACTING OFFICER. CONTRACT AWARD DOCUMENT WILL SERVE AS THE CONTRACTING OFFICER'S APPROVAL TO SUPPLY USED OIL.

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[ ] The offeror represents that it will provide certified test reports with associated QC documents validating EPA used oil standards, contained in 40 CFR Parts 266 and 279, or State/local requirements, whichever is more stringent, for all contract deliveries under the line items identified above to--

ATTN: DESC-BPE ROOM 2954  
DEFENSE ENERGY SUPPORT CENTER

8725 JOHN J KINGMAN ROAD SUITE 4950  
 FORT BELVOIR VA 22060-6222

Offeror's EPA Identification Number: \_\_\_\_\_

(5) Blending of various compatible grades of burner oil to produce an intermediate grade is permitted; however, such blending shall be accomplished by mechanical mixing or agitation in a tank, or by in-line blending, prior to loading the product into transport equipment, and the resultant product must meet all the requirements of the grade produced.

(6) The maximum allowable ash content for Burner Oil, Grade 6, shall be .50 wt %, using ASTM D 874, Standard Test Method for Sulfated Ash from Lubricating Oils and Additives.

(g) **KEROSENE.** Product shall conform to ASTM D 3699. Classification of product is shown below.

**LOW SULFUR GRADES**

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	<u>DESC PRODUCT CODE</u>	<u>MAXIMUM SULFUR CONTENT</u>	<u>RED DYE</u>
9140-01-292-4460	Kerosene, Grade No. 1-K	KS1	0.04 wt% max	No
9140-01-461-3989	Kerosene, Grade No. 1-K	KSR	0.04 wt% max	Yes

**HIGH SULFUR GRADES**

<u>NATIONAL STOCK NUMBER</u>	<u>PRODUCT NOMENCLATURE</u>	<u>DESC PRODUCT CODE</u>	<u>MAXIMUM SULFUR CONTENT</u>	<u>RED DYE</u>
9140-00-242-6748	Kerosene, Grade No. 2-K	KSN	0.30 wt% max	Yes

**NOTE:** The IRS requires taxation of No. 1-K and No. 2-K kerosene upon removal from the terminal unless the kerosene is indelibly (cannot be removed) dyed or used for military jet fuel. These requirements, part of 26 CFR 48 - Manufacturers and Retailers Excise Taxes, were published in the July 1, 1998, Federal Register. Only undyed (taxable) No. 1-K kerosene is suitable for use in nonflued (unvented) kerosene burner appliances. No. 2-K kerosene (dyed or undyed) is unsuitable for nonflued (unvented) kerosene burner appliances.

The color test requirement is deleted if red dye has been added in compliance with IRS regulations; however, the resulting fuel/dye blend must have a red tint.

(DESC 52.246-9FW5)

**G150.06 SUBMISSION OF INVOICES FOR PAYMENT (DOMESTIC PC&S) (DESC JUL 1999)**

**NOTE 1:** **FOR FACSIMILE INVOICING,** see the SUBMISSION OF INVOICES BY FACSIMILE clause.

**NOTE 2:** See paragraph (c) for invoicing for DETENTION/DEMURRAGE costs.

**NOTE 3:** INVOICES WILL REFLECT QUANTITIES IN WHOLE NUMBERS AND SHALL BE ROUNDED AS APPLICABLE. Example: 7,529.4 = 7,529 or 7,529.5 = 7,530.

(a) **INVOICING OF ORDERS PLACED BY ARMY, NAVY (including Marines), AND OTHER DoD ACTIVITIES** (except Air Force, Alaska, and Hawaii):

(1) **PAYING OFFICE.** Invoices for product paid with Defense Logistics Agency/Defense Energy Support Center (DESC) funds, as cited on the order, will be paid by DESC and should be mailed to--

DEFENSE FINANCE AND ACCOUNTING SERVICE - COLUMBUS CENTER  
 STOCK FUND DIRECTORATE  
 FUELS ACCOUNTING AND PAYMENTS DIVISION  
**ATTN: DFAS-CO-LSFC**  
 P.O. BOX 182317

COLUMBUS, OH 43218-6252

**(2) CERTIFICATION OF RECEIPT.**

(i) Receiving activity personnel will certify the receipt of fuel by preparing and signing one of the following documents:

(A) Standard Form 1449, Solicitation/Contract/Order for Commercial Items; or

(B) DD Form 1155, Order for Supplies or Services; or

(C) DD Form 250, Material Inspection and Receiving Report; or

(D) DD Form 250-1, Tanker/Barge Material Inspection and Receiving Report (for tanker and barge deliveries only).

(ii) Payments to the Contractor will be based on the receipt of the "paying copies" of the receiving report to DESC-FII, Fort Belvoir, VA, and payment will be made in accordance with the terms of the contract.

**(iii) PC&S DELIVERIES.**

(A) Overbillings--

(a) That are less than or equal to 0.5 percent of the quantity listed on the receiving document will be paid as originally invoiced by the Contractor when the overbilled quantity is solely a result of a difference in measurement techniques.

(b) That exceed 0.5 percent of the quantity listed on the receiving document will be paid based on the corrected quantity as determined by the activity and annotated on the activity's receiving document.

(B) Underbillings will be paid as invoiced.

(C) Notwithstanding any permissible variation percentage, payment is authorized for a percentage not to exceed 120 percent of the ordered quantity. Payment shall be made for quantity within this allowable variation listed on the receiving document as received and accepted by the activity and invoiced by the Contractor.

(iv) The receiving activity will transmit one paying copy of the applicable form listed in (i) above to DESC-FII, Fort Belvoir, VA, within two working days after receipt of product.

**(3) SUBMISSION OF INVOICES.**

(i) The Contractor shall submit an invoice for each item for no more or less than the total daily delivered quantity at a particular activity.

(ii) Invoices submitted for payment shall be submitted in duplicate. The submission shall include an original invoice clearly marked **ORIGINAL** and one copy clearly marked **INVOICE COPY**. A carbon copy may be submitted as an original provided it is clearly marked **ORIGINAL** as stated above.

**(iii) COURIER DELIVERY OF INVOICES.**

(A) Couriers, acting on behalf of Contractors, must deliver Contractor invoices being submitted for payment to the following mailroom street address:

***DEFENSE FINANCE AND ACCOUNTING SERVICE - COLUMBUS CENTER  
ATTN: DFAS-CO-LSFC  
3990 EAST BROAD STREET, BLDG 21  
COLUMBUS, OH 43213-1152***

(B) Invoices submitted by courier to the above address will be handled in a timely manner.

**(b) INVOICING OF ORDERS PLACED BY ALL OTHER FEDERAL AGENCIES**, including Air Force, Alaska and Hawaii.

(1) **PAYING OFFICE.** Invoices shall be forwarded to the applicable paying office in accordance with instructions contained on the order.

(2) **SUBMISSION OF INVOICES.** On orders placed by activities of Federal Departments other than those covered under (a) above, invoices for all deliveries shall be prepared and submitted as instructed by those activities on the order by the Ordering Officer. Such activities placing orders under this contract will furnish the Contractor with the name and proper address of the activity to whom invoices shall be rendered. Such activities will also indicate the procedures for processing tax exemption certificates.

(c) **INVOICING DETENTION COSTS.** Detention costs, allowable only on tank truck deliveries (not applicable to multiple drop tank truck or any tank wagon deliveries), will be the sole responsibility of the activity incurring them. Invoices for detention costs will be submitted by the Contractor directly to the activity receiving the product. If the receiving activity is an Army activity, a copy of the detention cost invoice must also be furnished to the following address:

COMMANDER, US ARMY PETROLEUM CENTER  
ATTN: SATPC-L  
NEW CUMBERLAND PA 17070-5008

(DESC 52.232-9F90)

**NOTE 1: FOR GROUND FUELS (PC&S) CONTRACTS:** This clause applies only to items for Army, Navy (including Marines), and other DoD activities (except Air Force, Alaska, and Hawaii).

**NOTE 2:** See paragraph (c) for facsimile invoicing for DETENTION/DEMURRAGE costs.

**NOTE 3:** INVOICES WILL REFLECT QUANTITIES IN WHOLE NUMBERS AND SHALL BE ROUNDED AS APPLICABLE. Example: 7,529.4 = 7,529 or 7,529.5 = 7,530.

(a) **IMPORTANT NOTICE:** Contractors who select the facsimile (FAX) method of invoicing prior to award in accordance with the FACSIMILE INVOICING or the FACSIMILE OR ELECTRONIC INVOICING provision must do so for all invoices. Failure to comply with the requirements of this clause will result in revocation of the Contractor's right to submit invoices by the FAX method.

(b) **INSTRUCTIONS FOR SUBMITTING INVOICES VIA FACSIMILE.**

(1) When the Contractor has elected to transmit invoices by FAX, it is responsible for validating receipt of its FAXed invoice. Because DFAS-CO-LS cannot be held accountable for transmissions not received, the Contractor must verify transmission/receipt of its FAX by telephoning Customer Service (DFAS-CO-LS) at (800) 756-4571 (Options 2 and 2). Personnel are available to verify receipt of FAXed transmissions between 8 a.m. and 5 p.m., EST/EDT, Monday through Friday, excluding Federal holidays.

(2) The DFAS-CO-LS FAX number is (614) 693-0670/0671/0672.

(3) The Contractor shall include its FAX number on each document transmitted.

(4) After transmitting the original invoice, the Contractor shall mark that invoice "ORIGINAL INVOICE - FAXED" and retain it. The hard copy is **not** required for payment and shall **not** be mailed to the payment office unless DFAS-CO-LS specifically requests it.

(5) **F.O.B. DESTINATION DELIVERIES.**

(i) **CERTIFICATION OF RECEIPT.**

(A) Receiving activity personnel will certify the receipt of fuel by preparing and signing one of the following documents:

(a) The SF 1449, Solicitation/Contract/Order for Commercial Items; or

(b) The DD Form 1155, Order for Supplies or Services; or

(c) The DD Form 250, Material Inspection and Receiving Report; or

(d) The DD Form 250-1, Tanker/Barge Material Inspection and Receiving Report (for tanker and barge deliveries only).

(B) Payments to the Contractor will be based on the receipt of the "paying copies" of the receiving report to DESC-FII, Fort Belvoir, VA, and payment will be made in accordance with the terms of the contract.

(ii) **PC&S DELIVERIES.**

(A) Overbillings--

(a) That are less than or equal to 0.5 percent of the quantity listed on the receiving document will be paid as originally invoiced by the Contractor when the overbilled quantity is solely a result of a difference in measurement techniques.

(b) That exceed 0.5 percent of the quantity listed on the receiving document will be paid based on the quantity as determined by the activity and annotated on the activity's receiving document.

(B) Underbillings will be paid as invoiced.

(C) Notwithstanding any permissible variation percentage, payment is authorized for a percentage not to exceed 120 percent of the ordered quantity. Payment shall be made for quantity within this allowable variation listed on the receiving document as received and accepted by the activity and invoiced by the Contractor.

(6) **F.O.B. ORIGIN DELIVERIES - RECEIVING REPORTS.**

(i) When FAXing an invoice for f.o.b. origin deliveries, the Contractor shall also FAX a copy of the applicable receiving report to DESC-FII, Room 2933, Fort Belvoir, VA, for GROUND FUELS (PC&S) DELIVERIES. DESC-FII's FAX number is (703) 767-9380. The receiving report shall be transmitted no later than two working days after each delivery.

(ii) The following forms, signed by the Quality Representative (QR), are acceptable receiving reports for f.o.b. origin deliveries:

(A) DD Form 250 (Material Inspection and Receiving Report); or

(B) DD Form 250-1 (Tanker/Barge Material Inspection and Receiving Report).

(iii) The signed copy, which certifies acceptance by the QR of the product prior to submission of the invoice, will have the following information stamped, printed, or typed on it: "ORIGINAL RECEIVING REPORT FOR PAYMENT OF INVOICE."

(c) **INVOICING DETENTION/DEMURRAGE COSTS VIA FACSIMILE.** Detention costs, allowable only on tank truck deliveries (not applicable to multiple drop tank truck or any tank wagon deliveries), will be the sole responsibility of the activity incurring them. Invoices for detention costs will be submitted by the Contractor via facsimile directly to the activity receiving the product. If the receiving activity is an Army activity, a copy of the detention cost invoice must also be furnished to the following address:

COMMANDER US ARMY PETROLEUM CENTER  
ATTN SATPC-L  
NEW CUMBERLAND PA 17070-5008

(DESC 52.232-9FG5)

**11.03-9 CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS (PC&S) (PORTS INTERNET APPLICATION) - ADDENDUM (DESC AUG 1999)**

**Use of electronic invoicing via PORTS is mandatory under the resultant contract.** Therefore, in lieu of the invoicing procedures outlined in (g) of the CONTRACT TERMS AND CONDITIONS - COMMERCIAL ITEMS (PC&S) (PORTS INTERNET APPLICATION clause, the Contractor shall submit its invoices in accordance with the PAPERLESS ORDERING AND RECEIPTS TRANSACTION SCREENS (PORTS) INTERNET APPLICATION clause.

(a) **Exceptions** to the use of electronic invoicing are limited to the following:

(1) **Instances in which the PORTS Internet application is not available or accessible and the Contractor informs the DESC Contracting Officer of this fact by facsimile message.**

(2) Instances in which retroactive price changes and/or unit price errors result in money due the Contractor.

(b) In the event of an exception to invoicing identified above, the Contractor shall--

(1) Fax its invoice to **DFAS-CO-LSFC** at the following fax number: **(614) 693-0670**. For faxed invoices, the Contractor is responsible for verifying transmission/receipt of the fax by telephoning Customer Service (**DFAS-CO-LSFC**) at **1-800-453-5014**. If local (Columbus Metro Area), the Customer Service number is **(614) 693-4994**. Personnel are available to verify receipt of faxed transmissions between 8 a.m. and 5 p.m. EST/EDT, Monday through Friday, excluding Federal holidays.

(2) **Include the Contractor's fax number on each document transmitted.**

(3) After transmitting the original invoice, the Contractor shall mark that invoice "**ORIGINAL INVOICE - FAXED**" and retain it. The hard copy is not required for payment and shall not be mailed to the payment office unless **DFAS-CO-LSFC** specifically requests it.

(DESC 52.212-9F52)

**128.02-2 FEDERAL, STATE, AND LOCAL TAXES/FEEs EXCLUDED FROM CONTRACT PRICE (DESC MAR 2000)**

(a) **FEDERAL EXCISE TAXES EXCLUDED.** All contract prices for fuel and oils furnished under this contract exclude Federal Excise Taxes (FET). The taxes should be handled on the Contractor's invoices as follows:

(1) **MOTOR GASOLINE/GASOHOL.** The FET should be included on the Contractor's invoice as a separate item. The following FET will apply:

FET PER GALLON

PERCENTAGE OF ALCOHOL

\$0.184

0.0% up to but not including 5.7%

\$0.1532

5.7% up to but not including 7.7%

\$0.1424

7.7% up to but not including 10%

\$0.130

10% and above

(2) **AVIATION GASOLINE.** The manufacturer's FET of \$0.194 per gallon should be included on the Contractor's invoice as a separate item.

(3) **FUEL OIL (BURNER GRADES) NUMBERS 1, 2, 4, 4 (LIGHT), 5 (LIGHT), 5 (HEAVY), AND 6.** There is no FET on *any of these fuel oils (burner grades) although lighter grades (numbers 1, 2, and 4 (light)) must be dyed. It is the Contractor's responsibility to obtain fuel oils (burner grades numbers 1, 2, and 4 (light)) meeting Internal Revenue Service (IRS) dyeing requirements.*

(4) **DIESEL AND NONAVIATION GRADE KEROSENE FUEL.**

(i) **UNDYED DIESEL AND NONAVIATION KEROSENE FUEL.** The FET of \$0.244 per gallon SHOULD BE INCLUDED on the Contractor's invoice as a separate item.

(ii) **DYED DIESEL AND NONAVIATION KEROSENE FUEL.** The FET of \$0.244 per gallon SHOULD NOT BE INCLUDED on the Contractor's invoice since all dyed diesel fuel may be used only for tax exempt purposes.

(5) **JET FUEL.** The FET of \$0.219 per gallon should be included on the Contractor's invoice as a separate item.

(6) **EXEMPT SALES.** A Contractor authorized by IRS to sell gasoline, undyed diesel fuel, and nonaviation kerosene tax free should not invoice the FET on sales to the National Guard, on sales to the Government of the District of Columbia, nor on sales of jet fuel and aviation gasoline for military aircraft.

CONTRACT BULLETIN SP0600-99-3000  
BULLETIN SUPPLEMENT #2

(b) **STATE AND LOCAL TAXES EXCLUDED.** All contract prices exclude State and local excise taxes on fuels (including gasoline taxes, motor fuel taxes, diesel fuel taxes, special fuel taxes, aircraft fuel taxes, jet fuel taxes, heating oil taxes, kerosene taxes, lubricating oil taxes, and naphtha, solvent, benzol, and benzine taxes). Any applicable taxes (for which no exemption applies) should be included on the Contractor's invoice as a separate item in accordance with the terms of this contract.

(c) **CALIFORNIA SALES AND USE TAX.** All contract prices exclude the California State Sales and Use Tax.

(d) **KENTUCKY SALES AND USE TAX.** All contract prices exclude the Kentucky Sales and Use Tax. Contracts awarded under this solicitation are exempt from the Kentucky Sales and Use Tax per Kentucky tax exemption obtained by each activity.

(e) **ENVIRONMENTAL AND OIL SPILL TAXES.** Unless an exemption applies, all contract prices INCLUDE State and local environmental and oil spill taxes and inspection fees.

(f) **INSPECTION FEES.** Unless an exemption applies, all contract prices INCLUDE State and local inspection fees.

(g) **CONNECTICUT PETROLEUM PRODUCTS GROSS EARNINGS TAX.** All contract prices exclude the Connecticut Petroleum Products Gross Earnings Tax. This tax should be included on the Contractor's invoice as a separate item only if no exemption applies.

(h) **REIMBURSEMENT.** The Government will reimburse the Contractor for the amount of any tax specifically excluded from the contract price pursuant to this clause if no exemption applies.

(i) **LICENSES** Federal, State, and local licenses or other activities necessary to establish Contractor's entitlement to do business or to tax exemption for transactions under this contract are the responsibility of the Contractor. Failure to obtain appropriate licenses or to follow required procedures shall preclude the reimbursement of taxes which would otherwise be exempt.

(DESC 52.229-9F25)

**I28.03-2 TAX EXEMPTION CERTIFICATES (DESC JUL 1999)**

(a) **FEDERAL, STATE, AND LOCAL EXCISE TAXES.** Contractor's request for tax exemption certificates covering any Federal, State, local excise tax, or Kentucky Sales and Use Tax excluded from the contract price pursuant to the terms of this contract shall be forwarded with Contractor's invoices or as otherwise indicated by the Ordering Officer, except for (1) deliveries of motor gasoline or diesel fuel to Army and Navy activities, in which case requests for tax exemption certificates should be forwarded to the Ordering Officer, and (2) deliveries of all fuels to the National Guard, in which case such activities shall indicate the procedure for processing tax exemption certificates. *Upon the Contractor's request for a tax exempt certificate, if the Government fails to provide tax exempt certificates to the Contractor, the Contractor shall notify the DESC Contracting Officer and invoice the applicable payment office for said taxes as an additional line item on the invoice. The DESC Contracting Officer may authorize payment of the tax if the ordering office or activity refuses to issue the tax exemption certificate.*

(b) **GOVERNMENT OPTION TO DEDUCT TAX AND FURNISH TAX EXEMPTION CERTIFICATES.** If this contract provides that the Contractor is to invoice for the Federal tax, the supplies to be furnished under such item at the time this contract is entered into are generally intended for a purpose for which tax exemption cannot be claimed. However, in instances where the invoice price for any item includes the excise tax and tax exemption can be claimed, the applicable tax may be deducted from the order or the invoice by the Government and a tax exemption certificate furnished in lieu of paying the tax. Tax exemption certificates to be furnished under this paragraph (b) will be issued by the Ordering Officer.

(DESC 52.229-9F45)