

SPECIAL CONTRACT TERMS AND CONDITIONS

CONTRACT SCOPE/OVERVIEW: This contract covers the requirements of Commonwealth agencies that require anthracite or bituminous coal/500 tons or less.

ORDER OF PRECEDENCE: These Special Contract Terms and Conditions supplement the Standard Contract Terms and Conditions For Statewide Contracts for Supplies. To the extent that these Special Contract Terms and Conditions conflict with the Standard Contract Terms and Conditions For Statewide Contracts for Supplies, these Special Contract Terms and Conditions shall prevail.

TERM OF CONTRACT: The Contract shall commence on the effective date, which shall be no earlier than July 1, 2004 and expire on June 30, 2005.

OPTION TO EXTEND: The Department of General Services reserves the right, upon notice to the Contractor, to extend the Contract or any part of the Contract for up to three (3) months with the same terms and conditions. This will be utilized to prevent a lapse in Contract coverage and only for the time necessary, up to three (3) months, to enter into a new contract.

OPTION FOR SEPARATE COMPETITIVE BIDDING PROCEDURE: The Department of General Services reserves the right to purchase supplies covered under this Contract through a separate competitive bidding procedure, whenever the department deems it to be in the best interest of the Commonwealth. The right will generally be exercised only when a specific need for a large quantity of the supply exists or the price offered is significantly lower than the Contract price.

SPECIFICATIONS: The selected contractor (s) is required to furnish coal in accordance with the attached specifications, Table 1, Anthracite Coal, and Table 2, Bituminous Coal.

PRODUCT CONFORMANCE: The Department of General Services reserves the right to require any and all bidders to:

1. Provide certified data from laboratory testing performed by the bidder, or performed by an independent laboratory, as specified by the Commonwealth.
2. Supply published manufacturer product documentation.
3. Permit a Commonwealth representative to witness testing at the bidder's location or at an independent laboratory.
4. Complete a survey/questionnaire relating to the bid requirements and specifications.
5. Provide customer references.
6. Provide a product demonstration at a location near Harrisburg or the using agency location.

INVOICES: The invoice for each shipment shall identify the operator(s) of the breaker and/or mine and the permit number(s) for the breaker and/or mine. Contractors will invoice based on the valid weigh masters certificate or the net weight of the check weigh location, whichever is less.

PRICE CHANGE: If, as a result of legislation, rule-making, rate-making, or any related act of a legislative or regulatory body subsequent to bid opening, the Contractor's cost of supplying coal increases, the Contractor may request a change in price by furnishing the Director, Bureau of Purchases, with sufficient documentation showing the direct effect on the Contractor's cost. Price adjustments for the aforementioned reasons will not occur more than once a month after the opening date.

No adjustment in price is effective until approved by the Director, Bureau of Purchases. If an increase is unacceptable to the Commonwealth, the item(s) will be removed from the Contractor's contract/FPO.

During unusual market conditions, the Department of General Services shall adjust the prices for transportation on a weekly basis. "Unusual market conditions" is defined as dramatic, extraordinary or unforeseen changes in the diesel market prices such that the market average changes weekly more than 10% above the base price. When unusual market conditions occur, the Department of General Services, shall issue change notices weekly until such time that the Department of General Services has determined that the market has stabilized. The established base price for LS-No2 to compare is 1.0572 calculated using OPIS dated April 19, 2004. The base price is calculated as follows, using the Oil Price Information Service (OPIS) data on the closest Thursday to the ITB release date:

$$\text{Base Price (cts/gal LS-No2)} = (\text{Harrisburg Avg} + \text{Philadelphia Avg} + \text{Pittsburgh Avg})/3$$

DELIVERIES.

- a. Deliveries shall be F.O.B. Using Agency location. Delivery schedules are set by each facility as instructed on their Purchase Order.
- b. Contractors are strongly encouraged to inspect the unloading and storage facilities at the various using agency locations to determine the unloading equipment requirements. It is each contractor's responsibility to verify delivery location requirements.
- c. If it is determined that a vehicle owned or leased by the Contractor was operated on a public highway carrying a weight in excess of the registered, gross or axle weight limits established in Chapter 49, of the Motor Vehicle Code, the Commonwealth is not liable for payment for the amount of material equal to the excess over the registered, gross and/or axle weight limits. The Contractor may elect to deliver the excess material to the Using Agency without charge or to retain the material in the vehicle.
- d. The truck must use a waterproof cover to protect the coal.
- e. Truck driver must remain with vehicle at all times.
- f. Drain trucks of water prior to deliveries.
- g. The coal shipment shall be free of any foreign material.
- h. Two Weigh Slips must accompany each delivery (one from source and one from check weigh location). If the scale is computerized provide the facility with the computerized weigh slip.
- i. If, at the time of delivery, the facility representative finds the aforementioned delivery requirements or other contract requirements are not met, the representative may refuse the shipment.

WEIGHTS.

- a. If available, the contractor will utilize on-site scales for check weighing. For facilities not equipped with on-site scales, the contractor is responsible to check weigh deliveries at an independent scale location not to exceed a 25 mile radius from the facility. The Commonwealth reserves the right to have truck deliveries check-weighed on a "SPOT CHECK" basis. Contractors are responsible for all check-weigh fees.
- b. The Weigh Master Certificate must conform to the requirements of Pennsylvania Code Title 70. The Commonwealth reserves the right to determine a source's weighing capability. Scales must

- have current certificate from the Department of Agriculture showing the scale is within acceptable tolerances.
- c. Contractors, delivering coal to locations with requirements for less than 3 tons, may request an exemption from the requirement that an unaltered colliery or mine weigh master certificate accompany each load.
 - d. The Commonwealth reserves the right to supervise the weighing of each and every load of coal at the point of origin.
 - e. Water Allowance for Anthracite Coal – The weigh master certificate shall also show a water allowance, calculated using the percentages shown in Table I. The water allowance round off to the nearest 100 pounds.

TABLE I

<u>SIZE</u>	<u>WATER ALLOWANCE</u> <u>(% of net weight)</u>
Egg	0.75%
Stove	1.00%
Chestnut	1.50%
Pea 9/16 x 13/16	2.00%
Buckwheat No. 1 5/16 x 9/16	3.00%
Buckwheat No. 2 (Rice) 3/16 x 5/16	4.00%
Buckwheat No. 3 (Barley) 3/32 x 3/16	5.00%
Buckwheat No. 4	6.00%

An example of how the water allowance is computed is given below:

	<u>Colliery Weight</u> <u>Slip</u>	<u>Institution Check-</u> <u>Weight Slip</u>
Gross Weight	62,500	62,300
Tare Weight	<u>-21,300</u>	<u>-21,000</u>
Net Weight	41,200	41,300
Water Allowance (5% of Net)	<u>-2,100(*)</u>	
Adjusted Net Weight	39,100	

(*) The calculated water allowance of 2,060 pounds was rounded off to the nearest 100 pounds, as allowed.

NOTE: As the example shows, weights are not the same. Payment is made on the lower weight, whether it is the Colliery adjusted net weight or the Institution net weight.

CERTIFICATION. The Contractor must provide certification for each truckload. If certification is not present at time of delivery, facility shall refuse acceptance of shipment. The owner or operator shall, supply one of the following at time of delivery:

- a. A fuel analysis of the Btu value, moisture, ash, and sulfur content (% by weight), conducted on a representative sample of each shipment received.

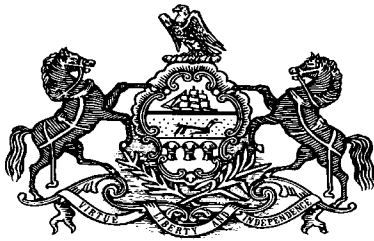
- b. Written certification from the supplier, signed by a responsible official, that certifies the aforementioned fuel characteristics for each shipment delivered to the facility.

Note: The Contractor should conduct coal sampling and analysis with sufficient frequency to assure that the coal supplied meets the Commonwealth's specifications.

COMMITMENT LETTERS: Contractors must submit, with their bid or not later than two (2) business days after notification from the Department of General Services, commitment letter(s) from the operator of the breaker and/or mine of each source that the contractor intends to utilize. The letter(s) must include the names(s) of the operators of the breaker and/or mine, the permit number(s) for the breaker and/or mine, the tonnage commitment by coal size, the Commonwealth facility to be supplied, and signature of an officer of the company operating the breaker and/or mine. A sample Commitment Letter is attached.

OPTION TO RENEW: The contract(s) or any part of the contract(s) may be renewed for four (4) additional one (1) year terms by mutual agreement between the Commonwealth and the Contractor(s). If the contract(s) is/are renewed, the same terms and conditions shall apply and a new performance bond or a rider supplementing the original bond will be required for the extended period.

INQUIRIES: Direct all questions concerning this Invitation to Bid to:
Jack Banks
Bureau of Purchases
414 North Office Building
Harrisburg, PA 17125
(717) 787-6586
E-mail: jbanks@state.pa.us



All using Agencies of the Commonwealth, Political Subdivision,
Authorities, Private Colleges and Universities

ORIGINAL

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Contract Number: 4600007705

Creation Date: 09/16/2004

Purchasing Agent:

Name: Toni-Lynn Palmer

Phone: 717-783-2090

Fax: 717-783-6241

E-mail: tpalmer@state.pa.us

Valid from/to: 10/01/2004 - 06/30/2005

Your vendor number with us: 102042

Vendor Name/Address:

KOBIN COAL CORPORATION

980 E BROAD ST

HAZLETON PA 18201-6849

Vendor Fax Number: 516-349-0707

Your Quotation: Date:

Collective No.: CN00010244

Our Quotation: 6000056631

Please Deliver To:

*** TBD AT TIME OF PURCHASE ORDER ***

*** UNLESS SPECIFIED BELOW ***

Payment Terms: NET 30

The Commonwealth of Pennsylvania, through the Department of General Services, accepts the submission of the Bidder/Contractor for the awarded item(s) at the price(s) set forth below in accordance with: 1) the RFQ submitted by the Bidder/Contractor, if any; 2) the documents attached to this Contract or incorporated by reference, if any, and 3) the contract terms and conditions stored on the website address at www.dgs.state.pa.us for this type of Contract as of the date of the RFQ, if any, or other solicitation for this Contract, all of which, as appropriate, are incorporated herein by reference. When the Bidder/Contractor receives an order from a Commonwealth agency, the order constitutes the Bidder/Contractor's authority to furnish the item(s) to the agency at the time(s) and place(s) specified in the order. RFQ, as used herein, means Request for Quotations, Invitation for Bids, Invitation to Qualify, or Request for Proposals, as appropriate.

Item	Description	Material/Service No.	Quantity	UOM	Price	Per Unit	TOTAL
00010	Historical & Museum Commission	144068	0	ton	134.00	ton	0.00
Item text							
Eckley Miners. Village, Weatherly PA, 9:00 AM - 4:00 PM, Monday thru Friday, excluding state holidays. (Coal delivered on an as-needed basis to Catholic Church, Episcopal Church, Sharpe House, Surgent House, and Visitor.s Center. Note: The visitor.s center has a 25 ton coal bin with a manhole dump at ground level. The two churches each have a 6 ton coal bin; the Sharpe House has a 4 ton coal bin. Coal bins filled by high lift dump truck as bin doors are approximately 4 feet from ground level. Delivery must have prior approval. Call (570) 636-2070, Dave Dubick. Minimum Delivery: 4 tons. Contractor is responsible for shoveling coal into individual bin.							
-----SUPPLEMENTAL INFORMATION-----							
Header text							
Contact person: Daniel D. Nester							
Telephone Number: 570-454-7666							
E-mail address: nester@intergrafix.net							
NO FURTHER INFORMATION FOR THIS CONTRACT							

Currency: USD

999,999.00
ESTIMATED VALUE



All using Agencies of the Commonwealth, Political Subdivision,
Authorities, Private Colleges and Universities

ORIGINAL

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Contract Number: 4600007704

Creation Date: 09/16/2004

Purchasing Agent:

Name: Toni-Lynn Palmer

Phone: 717-783-2090

Fax: 717-783-6241

E-mail: tpalmer@state.pa.us

Valid from/to: 10/01/2004 - 06/30/2005

Your vendor number with us: 198773

Vendor Name/Address:

PENN KEYSTONE COAL CO LLC

RR 1 BOX 557

CLAYSBURG PA 16625-9701

Vendor Fax Number: 814-689-7010

Your Quotation: Date:

Collective No.: CN00010244

Our Quotation: 6000056630

Please Deliver To:

*** TBD AT TIME OF PURCHASE ORDER ***

*** UNLESS SPECIFIED BELOW ***

Payment Terms: NET 30

The Commonwealth of Pennsylvania, through the Department of General Services, accepts the submission of the Bidder/Contractor for the awarded item(s) at the price(s) set forth below in accordance with: 1) the RFQ submitted by the Bidder/Contractor, if any; 2) the documents attached to this Contract or incorporated by reference, if any, and 3) the contract terms and conditions stored on the website address at www.dgs.state.pa.us for this type of Contract as of the date of the RFQ, if any, or other solicitation for this Contract, all of which, as appropriate, are incorporated herein by reference. When the Bidder/Contractor receives an order from a Commonwealth agency, the order constitutes the Bidder/Contractor's authority to furnish the item(s) to the agency at the time(s) and place(s) specified in the order. RFQ, as used herein, means Request for Quotations, Invitation for Bids, Invitation to Qualify, or Request for Proposals, as appropriate.

Item	Description	Material/Service No.	Quantity	UOM	Price	Per Unit	TOTAL
00010	Department of General Services	144068	0	ton	96.00	ton	0.00
Item text Bureau of Buildings & Grounds, 2221 Forster Street, Harrisburg PA, Buckwheat #1 6:00 AM - 6:00 PM, Monday thru Friday, excluding state holidays. Note: Coal bin underground. Dump ground level through manhole covers.							
00020	Department of General Services	144068	0	ton	126.00	ton	0.00
Item text Records Center Building, 1825 Stanley Drive, Harrisburg PA, Buckwheat #2 6:00 AM - 2:00 PM, Monday thru Friday, excluding state holidays. Note: High lift truck or conveyor system needed for unloading. Bin capacity: 20 Tons. Coal is used only on an emergency basis.							
00030	Department of General Services	144068	0	ton	110.00	ton	0.00
Item text State Office Building, 625 Cherry Street, Reading PA, Buckwheat #2 8:00 AM - 3:00 PM, Monday thru Friday, excluding state holidays.							

*** SEE LAST PAGE FOR TOTAL VALUE OF CONTRACT ***



ORIGINAL

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Contract Number: 4600007704

Creation Date: 09/16/2004

Vendor Name:

PENN KEYSTONE COAL CO LLC

Item	Description	Material/Service No.	Quantity	UOM	Price	Per Unit	TOTAL
Note: Shipment not to exceed 10 ton. Bin Capacity: 10 Tons.							
00040	Department of Military Affiars	144068	0	ton	120.00	ton	0.00
Item text PA National Guard, Bldg. 19-109, Fort Indiantown Gap, Annville PA, Buckwheat #2 8:00 AM - 4:30 PM, Monday thru Friday, excluding state holidays. Note: Contractor to provide means for, and assure deposit of coal into bin. Storage Capacity: 15 Tons							
00050	Historical & Museum Commission	144068	0	ton	123.00	ton	0.00
Item text Scranton Anthracite Museum, RD #1, Bald Mountain Road, Scranton PA, 9:00 AM - 4:00 PM, Monday thru Friday, excluding state holidays. Note: Coal bin has a 35 ton capacity. Coal chute door is a 24. x 36. opening. Bottom of the chute opening is 8. from ground level. Coal delivered by high lift dump truck only. Delivery must have prior approval. Call: (570) 963-4804, Chester Kulesa. Minimum Delivery: 6 Tons							
00060	Historical & Museum Commission	144068	0	ton	95.00	ton	0.00
Item text Museum of Anthracite Mining, Pine & 17th Streets, Ashland PA, 9:00 AM - 5:00 PM, Wednesday thru Sunday, excluding state holidays. Note: Coal bin has a 20+ ton capacity and two outside manholes. Delivery must have prior approval. Call (570) 636-2070, Dave Dubick. Minimum Delivery: 6 tons							
00070	Lieutenant Governor's Manison	144068	0	ton	124.00	ton	0.00
Item text Fort Indiantown Gap, Main Building, Annville PA, 7:00 AM - 4:00 PM, Monday thru Friday, excluding state holidays. Note: Using Agency will call for deliveries. Bin capacity: 3 tons.							

*** SEE LAST PAGE FOR TOTAL VALUE OF CONTRACT ***



ORIGINAL

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Contract Number: 4600007704

Creation Date: 09/16/2004

Vendor Name:

PENN KEYSTONE COAL CO LLC

Item	Description				
	Material/Service No.	Quantity	UOM	Price	Per Unit
					TOTAL

-----SUPPLEMENTAL INFORMATION-----

Header text

Contact person: Joseph Nale

Telephone Number: 814-244-3140

E-mail address: sales@penncoal.com

NO FURTHER INFORMATION FOR THIS CONTRACT

Currency: USD

999,999.00

ESTIMATED VALUE