

**From:** [Vazquez Rivera, Luis R](#)  
**To:** [Yowan E. Fontaine](#)  
**Cc:** [Contract Services](#); [Maurer, Edward Leonard](#); [Vidal Paul, Mervin E](#); [De Jesus Negron, Jelixa](#)  
**Subject:** Re: RFQ-05-25 LSU & ULSD Fuel Oil RFQ- Clarification III  
**Date:** Wednesday, December 18, 2024 10:45:06 AM  
**Attachments:** [image001.png](#)  
[Clarification III for RFO-05-25.Peerless.pdf](#)

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Hi Yowan:

See our response below in **BOLD**.

1. With the acquisition of Peerless in the fall of 2022, how has the outlook and investment in Puerto Rico and the Caribbean market developed? Please explain.

- **Since 2022, Peerless has invested in the acquisition and branding of additional service stations in Puerto Rico under the brand name of Sunoco.**
- **Also, new investment has been made in isotanks, tanktrailers, trucks and other equipment to supply the Eastern Caribbean.**
- **New products have been introduced like Jet A, Marine Diesel, Urea and Lubricants**
- **Better access to barges.**

2. With the recent acquisition of NuStar Energy L.P., how does this benefit diesel and other fuel products and services in the Caribbean market? Please explain.

- **With the acquisition of NuStar, Sunoco doubled the number of Terminals from 60 to over 120 and thousands of miles of pipelines in the US. That provides access for more products. Since that acquisition, we have supplied more diesel, gasoline and jet fuel to the entire Caribbean.**

3. What is your plan to control costs as Sunoco “Peerless” plans to serve the Virgin Islands Water & Power Authority?

- **With Sunoco, we have created more synergies in terms of supply, thus reducing the cost. Also, access to equipment and suppliers has helped with better prices of materials and supplies to better serve our clients in the USVI, including WAPA.**
- **In addition, Sunoco is owned by Energy Transfer (ET). ET is the largest producer of Ethane in the US, which is compatible with the Wartsila engines of**

**WAPA which currently uses LPG. Ethane is also generally cheaper than LPG, thus reducing the cost to WAPA. We are able to provide a presentation when your team is available.**

- <https://www.energytransfer.com/>

4. Are you insured against Hurricane and tropical storms which occur annually, potentially adversely affecting Puerto Rico and the U.S. Virgin Islands between the months of June and November? Transport, Marine, Land, and Terminal accidents? Please explain your risk and WAPA's assumed risk.

- **Yes, we are insured. We have 3<sup>rd</sup> Party General Liability Insurance, Property Insurance and Pollution Insurance.**
- **If we are awarded the Supply Contract, we will provide insurance to the operation and product until the product passes the flange connection at the WAPA Receiving Dock facilities. WAPA assumes the risk after the product is received.**
- **In the case that the Terminal is leased to Peerless, we would need to discuss the terms of the operation before deciding the type of coverage.**

5. Please confirm that the price quoted is firm. If there are any additional charges or fees, please provide a list and clarifications of said charges and fees.

- **The price quoted is firm and valid until December 31, 2024, if the contract is awarded to Peerless prior to the end of year and WAPA confirms the date of the first delivery. If the decision by WAPA to award the contract is after December 31, 2024, we reserve the right to adjust the price according to market conditions at the time of the award.**

Let me know if you have any questions.

Regards,

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**From:** Yowan E. Fontaine <Yowan.Fontaine@viwapa.vi>

**Sent:** Tuesday, December 17, 2024 11:19 AM

**To:** Vazquez Rivera, Luis R <luis.vazquez@peerlessoil.com>; Vidal Paul, Mervin E <mervin.vidal@peerlessoil.com>

**Cc:** Contract Services <ContractServices@viwapa.vi>

**Subject:** RFQ-05-25 LSU & ULSD Fuel Oil RFQ- Clarification III

Good Day:

See attached Clarification III, please note responses are due on or before, **Wednesday, December 18, 2024 at 4:00pm AST.**

Please acknowledge receipt of this email.

Thank you for your continued interest in working with the authority.

Kind Regards,

**Yowan Fontaine**

Contract Specialist I

Contracts Administration

Virgin Islands Water & Power Authority

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**“WAPA...Working for You!”**

