



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Request for Quotation

RFQ NUMBER
DNR212139

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
**FRANK WHITTAKER
 304-558-2316**

VENDOR
 RFQ COPY
 TYPE NAME/ADDRESS HERE
 Schaeffer Lubricants
 102 Barton Street
 St. Louis, MO 63104

SHIP TO
 DIVISION OF NATURAL RESOURCES
 CASS SCENIC RAILROAD ST PARK
 ATTN: PARK SUPERINTENDENT
 BOX 107
 CASS, WV
 24927 **456-4300**

| DATE PRINTED | TERMS OF SALE | SHIP VIA | F.O.B. | FREIGHT TERMS |
|--------------|---------------|----------|--------|---------------|
| 03/28/2012 | | | | |

BID OPENING DATE: **04/26/2012** BID OPENING TIME **01:30PM**

| LINE | QUANTITY | UOP | CAT NO. | ITEM NUMBER | UNIT PRICE | AMOUNT |
|--|----------|-----|---------|---------------|------------|--------|
| 0001 | 1 | LS | | 405-54-07-001 | | |
| <p>OIL, COMPOUND STEAM CYLINDER, ISO 460</p> <p>DESIGNED TO LUBRICATE STEAM CYLINDERS AND VALVES. SHOULD BE CLASSIFIED AS AGMA NUMBER 7 COMPOUNDED. 55 GAL DRUM.</p> <p>THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA DIVISION OF NATURAL RESOURCES, IS SOLICITING BIDS FOR BIODEGRADABLE JOURNAL OIL FOR USE ON EXTERNAL COMPONENTS OF STEAM LOCOMOTIVES PER THE ATTACHED SPECIFICATIONS.</p> <p>ALL TECHNICAL QUESTIONS MUST BE SUBMITTED IN WRITING TO FRANK WHITTAKER IN THE WV PURCHASING DIVISION VIA EMAIL AT FRANK.M.WHITTAKER@WV.GOV OR VIA FAX AT 304-558-4115. DEADLINE FOR ALL TECHNICAL QUESTIONS IS 04/10/2012. ALL TECHNICAL QUESTIONS WILL BE ADDRESSED BY ADDENDUM AFTER THE DEADLINE.</p> <p>EXHIBIT 3</p> <p>LIFE OF CONTRACT: THIS CONTRACT BECOMES EFFECTIVE ON AND EXTENDS FOR A PERIOD OF ONE (1) YEAR OR UNTIL SUCH "REASONABLE TIME" THEREAFTER AS IS NECESSARY TO OBTAIN A NEW CONTRACT OR RENEW THE ORIGINAL CONTRACT. THE "REASONABLE TIME" PERIOD SHALL NOT EXCEED TWELVE (12) MONTHS. DURING THIS "REASONABLE TIME" THE VENDOR MAY TERMINATE THIS CONTRACT FOR ANY</p> | | | | | | |

RECEIVED
 2012 APR 24 AM 9:48
 WV PURCHASING DIVISION

| | | | |
|---|---------------------------|-----------------------------------|--|
| SEE REVERSE SIDE FOR TERMS AND CONDITIONS | | | |
| SIGNATURE <i>Robert P Perrine</i> | TELEPHONE 304 613-6693 | DATE 4/20/12 | |
| TITLE SALES REP | FEIN | ADDRESS CHANGES TO BE NOTED ABOVE | |

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

GENERAL TERMS & CONDITIONS
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125 fee.
4. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contracts, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods this Purchase Order/Contract becomes void and of no effect after June 30.
5. Payment may only be made after the delivery and acceptance of goods or services.
6. Interest may be paid for late payment in accordance with the *West Virginia Code*.
7. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
8. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
9. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
10. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern the purchasing process.
11. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
12. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, the State may deem this contract null and void, and terminate such contract without further order.
13. **HIPAA BUSINESS ASSOCIATE ADDENDUM:** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, is available online at www.state.wv.us/admin/purchase/vrc/hipaa.html and is hereby made part of the agreement provided that the Agency meets the definition of a Cover Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.
14. **CONFIDENTIALITY:** The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures, and rules. Vendor further agrees to comply with the Confidentiality Policies and Information Security Accountability Requirements, set forth in <http://www.state.wv.us/admin/purchase/privacy/noticéConfidentiality.pdf>.
15. **LICENSING:** Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, and the West Virginia Insurance Commission. The vendor must provide all necessary releases to obtain information to enable the director or spending unit to verify that the vendor is licensed and in good standing with the above entities.
16. **ANTITRUST:** In submitting a bid to any agency for the State of West Virginia, the bidder offers and agrees that if the bid is accepted the bidder will convey, sell, assign or transfer to the State of West Virginia all rights, title and interest in and to all causes of action it may now or hereafter acquire under the antitrust laws of the United States and the State of West Virginia for price fixing and/or unreasonable restraints of trade relating to the particular commodities or services purchased or acquired by the State of West Virginia. Such assignment shall be made and become effective at the time the purchasing agency tenders the initial payment to the bidder.

I certify that this bid is made without prior understanding, agreement, or connection with any corporation, firm, limited liability company, partnership, or person or entity submitting a bid for the same material, supplies, equipment or services and is in all respects fair and without collusion or Fraud. I further certify that I am authorized to sign the certification on behalf of the bidder or this bid.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division. Complete all sections of the quotation form.
2. Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Unit prices shall prevail in case of discrepancy. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
4. All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications: Department of Administration, Purchasing Division, 2019 Washington Street East, P.O. Box 50130, Charleston, WV 25305-0130
5. Communication during the solicitation, bid, evaluation or award periods, except through the Purchasing Division, is strictly prohibited (W.Va. C.S.R. §148-1-6.6).



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 Department of Administration
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ADDRESS CORRESPONDENCE TO ATTENTION OF:
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RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

DIVISION OF NATURAL RESOURCES
 CASS SCENIC RAILROAD ST PARK
 ATTN: PARK SUPERINTENDENT
 BOX 107
 CASS, WV
 24927 456-4300

| DATE PRINTED | TERMS OF SALE | SHIP VIA | F.O.B. | FREIGHT TERMS |
|--------------|---------------|----------|--------|---------------|
| 03/28/2012 | | | | |

BID OPENING DATE: **04/26/2012** BID OPENING TIME **01:30PM**

| LINE | QUANTITY | UOP | CAT. NO. | ITEM NUMBER | UNIT PRICE | AMOUNT |
|---|----------|-----|----------|-------------|------------|--------|
| | | | | | | |
| <p>REASON UPON GIVING THE DIRECTOR OF PURCHASING 30 DAYS WRITTEN NOTICE.</p> <p>UNLESS SPECIFIC PROVISIONS ARE STIPULATED ELSEWHERE IN THIS CONTRACT DOCUMENT BY THE STATE OF WEST VIRGINIA, ITS AGENCIES, OR POLITICAL SUBDIVISIONS, THE TERMS, CONDITIONS, AND PRICING SET FORTH HEREIN ARE FIRM FOR THE LIFE OF THE CONTRACT.</p> <p>RENEWAL: THIS CONTRACT MAY BE RENEWED UPON THE MUTUAL WRITTEN CONSENT OF THE SPENDING UNIT AND VENDOR, SUBMITTED TO THE DIRECTOR OF PURCHASING THIRTY (30) DAYS PRIOR TO THE EXPIRATION DATE. SUCH RENEWAL SHALL BE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE ORIGINAL CONTRACT AND SHALL BE LIMITED TO TWO (2) ONE (1) YEAR PERIODS.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>OPEN MARKET CLAUSE: THE DIRECTOR OF PURCHASING MAY AUTHORIZE A SPENDING UNIT TO PURCHASE ON THE OPEN MARKET, WITHOUT THE FILING OF A REQUISITION OR COST ESTIMATE, ITEMS SPECIFIED ON THIS CONTRACT FOR IMMEDIATE DELIVERY IN EMERGENCIES DUE TO UNFORESEEN CAUSES (INCLUDING BUT NOT LIMITED TO DELAYS IN TRANSPORTATION OR AN UNANTICIPATED INCREASE IN THE VOLUME OF WORK.)</p> <p>QUANTITIES: QUANTITIES LISTED IN THE REQUISITION ARE APPROXIMATIONS ONLY, BASED ON ESTIMATES SUPPLIED BY THE STATE SPENDING UNIT. IT IS UNDERSTOOD AND AGREED</p> | | | | | | |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

| | | |
|--|----------------------------------|-----------------------------------|
| SIGNATURE <i>Robert P Perrine (Sales Rep)</i> | TELEPHONE <i>304 613 6693</i> | DATE <i>4/26/12</i> |
| TITLE <i>Sales Rep</i> | FEIN [REDACTED] | ADDRESS CHANGES TO BE NOTED ABOVE |

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



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PAGE
3

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304-558-2316

RFQ COPY
 TYPE NAME/ADDRESS HERE

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DIVISION OF NATURAL RESOURCES
 CASS SCENIC RAILROAD ST PARK
 ATTN: PARK SUPERINTENDENT
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| DATE PRINTED | TERMS OF SALE | SHIP VIA | F.O.B. | FREIGHT TERMS |
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| LINE | QUANTITY | UOP | CAT NO | ITEM NUMBER | UNIT PRICE | AMOUNT |
|---|----------|-----|--------|-------------|------------|--------|
| <p>THAT THE CONTRACT SHALL COVER THE QUANTITIES ACTUALLY ORDERED FOR DELIVERY DURING THE TERM OF THE CONTRACT, WHETHER MORE OR LESS THAN THE QUANTITIES SHOWN.</p> <p>ORDERING PROCEDURE: SPENDING UNIT(S) SHALL ISSUE A WRITTEN STATE CONTRACT ORDER (FORM NUMBER WV-39) TO THE VENDOR FOR COMMODITIES COVERED BY THIS CONTRACT. THE ORIGINAL COPY OF THE WV-39 SHALL BE MAILED TO THE VENDOR AS AUTHORIZATION FOR SHIPMENT, A SECOND COPY MAILED TO THE PURCHASING DIVISION, AND A THIRD COPY RETAINED BY THE SPENDING UNIT.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THE STATE MAY DEEM THE CONTRACT NULL AND VOID, AND TERMINATE SUCH CONTRACT WITHOUT FURTHER ORDER.</p> <p>THE TERMS AND CONDITIONS CONTAINED IN THIS CONTRACT SHALL SUPERSEDE ANY AND ALL SUBSEQUENT TERMS AND CONDITIONS WHICH MAY APPEAR ON ANY ATTACHED PRINTED DOCUMENTS SUCH AS PRICE LISTS, ORDER FORMS, SALES AGREEMENTS OR MAINTENANCE AGREEMENTS, INCLUDING ANY ELECTRONIC MEDIUM SUCH AS CD-ROM.</p> <p>REV. 01/17/2012</p> <p>NOTICE</p> <p>A SIGNED BID MUST BE SUBMITTED TO:</p> <p>DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130</p> | | | | | | |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

| | | |
|--|----------------------------------|-----------------------------------|
| SIGNATURE <i>ROBERT P. PERINE (Sales Rep)</i> | TELEPHONE <i>304 613 6693</i> | DATE <i>4/20/12</i> |
| TITLE <i>SALES REP</i> | FEIN [REDACTED] | ADDRESS CHANGES TO BE NOTED ABOVE |

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| PAGE |
| 4 |

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|---|
| ADDRESS CORRESPONDENCE TO ATTENTION OF: |
| FRANK WHITTAKER 304-558-2316 |

RFQ COPY
 TYPE NAME/ADDRESS HERE

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|---|----------|-----|--------|-------------|------------|--------|
| <p>THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED:</p> <p>SEALED BID</p> <p>BUYER: 44</p> <p>RFQ. NO.: DNR212139</p> <p>BID OPENING DATE: 04/26/2012</p> <p>BID OPENING TIME: 1:30 PM</p> <p>PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:</p> <p>-----</p> <p>CONTACT PERSON (PLEASE PRINT CLEARLY):</p> <p>-----</p> | | | | | | |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

| | | |
|---|----------------------|-----------------------------------|
| SIGNATURE <i>Robert Perrine (Sales Rep)</i> | TELEPHONE 304 | DATE 4/20/12 |
| TITLE SALES REP | FEIN [REDACTED] | ADDRESS CHANGES TO BE NOTED ABOVE |

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|---|----------|-----|--------|-------------|------------|--------|
| ***** THIS IS THE END OF RFQ DNR212139 ***** TOTAL: _____ | | | | | | |

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

| | | |
|--|----------------------------------|-----------------------------------|
| SIGNATURE <i>Robert Perrino (Sales Rep)</i> | TELEPHONE <i>304 613 6693</i> | DATE <i>4/20/12</i> |
| TITLE <i>Sales Rep</i> | FEIN | ADDRESS CHANGES TO BE NOTED ABOVE |

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OPEN END CONTRACT

DNR212139

Biodegradable Journal Bearing Oil for use on external components of Steam Locomotives

Estimated Quantity 1650 gallons

Specifically formulated to meet the demanding applications of moving parts where heavy loads and high torque are present. Meets USDA's proposed biobased definition for EO 13101. Meets EPA's Environmental Preferable Purchasing (EPP) criteria.

The following properties are minimum standards. The bidder may bid on an oil that exceeds these properties.

Properties

| | |
|----------------------------|-----------------|
| SAE Viscosity Grade | ISO 460/SAE 140 |
| Viscosity at 40 degrees C | 144.00 minimum |
| Viscosity at 100 degrees C | 33.00 Minimum |
| Viscosity Index | 220.00 Minimum |
| Flash Point degrees C | 312.00 Minimum |
| Fire Point degrees C | 346.00 Minimum |

Bidders may be asked to submit samples of the oil to the railroad for testing purposes.

SCHAEFFER MANUFACTURING HAS AGREED TO PROVIDE A 55 GALLON DRUM AT NO CHARGE FOR TESTING INCLUDING FREIGHT

Minimum purchase 275 gallons per order

Delivery must be made within 15 days of receipt of order

Can be delivered in pallets, drums, or large plastic totes

DNR212139
PRICING SHEET

| ITEM NO. | ESTIMATED QUANTITY | DESCRIPTION | UNIT PRICE PER GALLON | AMOUNT |
|----------|--------------------|-----------------------------------|-----------------------|-----------|
| 1 | 1,650 GAL | BIODEGRADABLE JOURNAL BEARING OIL | 28.38 PER GALLON | 46,827.00 |
| TOTALS | | | 28.38 PG | 46,827.00 |

The estimated quantities listed above are for bid evaluation purposes only. Actual quantities may differ.

Freight charge is to be prepaid and added. A copy of the shipping company's invoice must be provided. The Division will reimburse the successful vendor for the actual shipping/delivery costs as stated on the shipping company's invoice.

(SHIPPING CHARGE PER TOTE \$277.84
6 TOTES ~~1,667.04~~)

WE PROVIDE FREE SHIPPING ON ALL
ORDERS OVER \$375.00
ALL 275 GALLON TOTES WILL BE SHIPPED
FREIGHT FREE

State of West Virginia

VENDOR PREFERENCE CERTIFICATE

Certification and application* is hereby made for Preference in accordance with West Virginia Code, §5A-3-37. (Does not apply to construction contracts). West Virginia Code, §5A-3-37, provides an opportunity for qualifying vendors to request (at the time of bid) preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid in accordance with the West Virginia Code. This certificate for application is to be used to request such preference. The Purchasing Division will make the determination of the Resident Vendor Preference, if applicable.

- 1. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is an individual resident vendor and has resided continuously in West Virginia for four (4) years immediately preceding the date of this certification; or, Bidder is a partnership, association or corporation resident vendor and has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or 80% of the ownership interest of Bidder is held by another individual, partnership, association or corporation resident vendor who has maintained its headquarters or principal place of business continuously in West Virginia for four (4) years immediately preceding the date of this certification; or, Bidder is a nonresident vendor which has an affiliate or subsidiary which employs a minimum of one hundred state residents and which has maintained its headquarters or principal place of business within West Virginia continuously for the four (4) years immediately preceding the date of this certification; or,
2. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is a resident vendor who certifies that, during the life of the contract, on average at least 75% of the employees working on the project being bid are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
3. Application is made for 2.5% resident vendor preference for the reason checked: Bidder is a nonresident vendor employing a minimum of one hundred state residents or is a nonresident vendor with an affiliate or subsidiary which maintains its headquarters or principal place of business within West Virginia employing a minimum of one hundred state residents who certifies that, during the life of the contract, on average at least 75% of the employees or Bidder's affiliate's or subsidiary's employees are residents of West Virginia who have resided in the state continuously for the two years immediately preceding submission of this bid; or,
4. Application is made for 5% resident vendor preference for the reason checked: Bidder meets either the requirement of both subdivisions (1) and (2) or subdivision (1) and (3) as stated above; or,
5. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is an individual resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard and has resided in West Virginia continuously for the four years immediately preceding the date on which the bid is submitted; or,
6. Application is made for 3.5% resident vendor preference who is a veteran for the reason checked: Bidder is a resident vendor who is a veteran of the United States armed forces, the reserves or the National Guard, if, for purposes of producing or distributing the commodities or completing the project which is the subject of the vendor's bid and continuously over the entire term of the project, on average at least seventy-five percent of the vendor's employees are residents of West Virginia who have resided in the state continuously for the two immediately preceding years.

Bidder understands if the Secretary of Revenue determines that a Bidder receiving preference has failed to continue to meet the requirements for such preference, the Secretary may order the Director of Purchasing to: (a) reject the bid; or (b) assess a penalty against such Bidder in an amount not to exceed 5% of the bid amount and that such penalty will be paid to the contracting agency or deducted from any unpaid balance on the contract or purchase order.

By submission of this certificate, Bidder agrees to disclose any reasonably requested information to the Purchasing Division and authorizes the Department of Revenue to disclose to the Director of Purchasing appropriate information verifying that Bidder has paid the required business taxes, provided that such information does not contain the amounts of taxes paid nor any other information deemed by the Tax Commissioner to be confidential.

Under penalty of law for false swearing (West Virginia Code, §61-5-3), Bidder hereby certifies that this certificate is true and accurate in all respects; and that if a contract is issued to Bidder and if anything contained within this certificate changes during the term of the contract, Bidder will notify the Purchasing Division in writing immediately.

Bidder: ROBERT PERRINE (SALES REP) Signed: Robert Perrine
Date: 4/20/12 Title: Sales Rep For Scharff Lubricants

*Check any combination of preference consideration(s) indicated above, which you are entitled to receive.

RFQ No. _____

STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owned is an amount greater than one thousand dollars in the aggregate

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued thereon.

"Debtor" means any individual, corporation, partnership, association, Limited Liability Company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

Under penalty of law for false swearing (*West Virginia Code §61-5-3*), it is hereby certified that the vendor affirms and acknowledges the information in this affidavit and is in compliance with the requirements as stated.

WITNESS THE FOLLOWING SIGNATURE

Vendor's Name: ROBERT P. FERRINE (SALES REPRESENTATIVE SCHAEFFER

Authorized Signature: Robert Perrine (Sales Rep for Schaeffer) Date: 4/23/12

State of WV

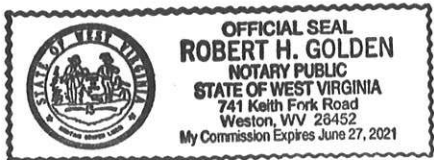
County of Lewis, to-wit:

Taken, subscribed, and sworn to before me this 23 day of April, 2012.

My Commission expires June 27 2021, 20 .

AFFIX SEAL HERE

NOTARY PUBLIC [Signature]





West Virginia Dept of Administration
 Purchasing Division
 2010 Washington Street East
 Charleston, WV 25305

4/09/2012

Dear Mr, Whittaker

Schaeffer Mfg. Co. representative Bob Perrine ask me to go over Quote DNR212139. There is a discrepancy that's need s clarification.

On page one describes: FOR AN OIL, COMPOUND STEAM CYLINDER ISO 460 SHOULD BE CLASSIFIED AS AGMA 7 COMPOUNDED

| | | | |
|---|----|---------------|--|
| 0001 | LS | 405-56-07-001 | |
| | 1 | | |
| OIL, COMPOUND STEAM CYLINDER, ISO 460 | | | |
| DESIGNED TO LUBRICATE STEAM CYLINDERS AND VALVES. SHOULD BE CLASSIFIED AS AGMA NUMBER 7 COMPOUNDED. 55 G.L DRUM. | | | |
| THE WEST VIRGINIA PURCHASING DIVISION, FOR THE AGENCY, THE WEST VIRGINIA DIVISION OF NATURAL RESOURCES, IS SOLICITING BIDS FOR BIODEGRADABLE JOURNAL OIL FOR USE IN EXTERNAL COMPONENTS OF STEAM LOCOMOTIVES PER THE ATTACHED SPECIFICATIONS. | | | |

On page headed "OPEN END CONTRACT"
 DNR212139

Estimated Quantity 1,650 gallons

Specifically formulated to meet the demanding applications of moving parts where heavy loads and high torque are present. Meets USDA's proposed biobased definition for EO 13101. Meets EPA's Environmental Preferable Purchasing (EPP) criteria.

The following properties are minimum standards. The bidder may bid on an oil that exceeds these properties.

Properties

| | |
|----------------------------|-----------------|
| SAE Viscosity Grade | ISO 460/SAE 140 |
| Viscosity at 40 degrees C | 144.00 minimum |
| Viscosity at 100 degrees C | 33.00 Minimum |
| Viscosity Index | 220.00 Minimum |
| Flash Point degrees C | 312.00 Minimum |
| Fire Point degrees C | 346.00 Minimum |

Bidders may be asked to submit samples of the oil to the railroad for testing purposes.

This page describes actual specs of current ELM product being use at CASS RR.

The discrepancy is :Viscosity @ 40 °C 144 minimum.
 That is an ISO 150 (AGMA 4) not the required ISO 460 (AGMA 7) as stated on page 1. see
 Viscosity Chart on page 2

AGMA 9005-D94 Viscosity classification for gear oils ▲

| AGMA lubricant no. | viscosity mPa.s at 40°C | | Equivalent ISO viscosity class (ISO 2448) | EP gear oils AGMA |
|-----------------------|----------------------------|------|---|----------------------|
| | min | max | | lub. no. |
| 0 | 28.8 | 35.2 | 32 | |
| 1 | 41.4 | 50.6 | 46 | |
| 2 | 61.2 | 74.8 | 68 | 2 EP |
| 3 | 90 | 110 | 100 | 3 EP |
| 4 | 135 | 165 | 150 | 4 EP |
| 5 | 198 | 242 | 220 | 5 EP |
| 6 | 288 | 352 | 320 | 6 EP |
| 7C ¹⁾ | 414 | 506 | 460 | 7 EP |
| 8C ¹⁾ | 612 | 748 | 680 | 8 EP |
| 8AC ¹⁾ | 900 | 1100 | 1000 | 8 A EP |

NOTE: mPa.s (milli—pascal seconds) at 40° Csame as Cst (centistokes) @ 40° C

144 Cst (@ 40°C (104°F) is 3 X “times” thinner than required 460 (same as Cst) @ 40°C (ISO 460, AGMA 7).

The current product being used is 3X too thin @ operating temperature thus creating a high usage rate compared to original oil specified (before requiring biodegradable fluid). The current fluid runs out much quicker than *pre*-biodegradable oil used and creates a very difficult to remove film on side of train. ***If a an ISO 460 (AGMA 7) fluid is used instead of an ISO 144 the usage should be around 2 to 3 times less.***

Bob Perrine and I visited Cass RR in 2011 to address to situation. See the attached document addressing the issue sent to Cass RR.

What is the bid product viscosity requirement @ 40° C? What Original Equipment Manufacturer required viscosity specification @ 40° C ?

Thank You,

Dale Smith CLS (Certified Lubrication Specialist)



(937) 216-3797

cc: Bob Perrine



TECHNICAL DATA

102 Barton Street, St. Louis, Missouri 63104

In-State (314) 865-4100/Out of State 800-325-9962/Fax (314) 865-4107 <http://www.schaefferoil.com>

567 ECOSHIELD™ BIODEGRADABLE EP GEAR OIL

ISO 68 through 680

EcoShield™ Biodegradable EP Gear Oil is a readily biodegradable, environmentally friendly, ecologically responsive, non-toxic, thermally stable and thermally durable extreme pressure lubricant that is specially formulated for the lubrication of industrial gear drives, slide and way systems, gear stamping and machine press applications, that are subjected to heavy loading or shock loading conditions. EcoShield™ Biodegradable EP Gear Oil meets the USDA definition EO 13101 for Biobased products.

EcoShield™ Biodegradable EP Gear Oil is blended from a unique combination of high oleic vegetable base oils and biodegradable synthetic polyol ester base fluids. This unique base fluid combination provides the EcoShield™ Biodegradable EP Gear Oil with the following performance advantages:

1. Excellent Oxidative and Thermal Stability.
2. Very good low temperature properties.
3. High natural viscosity index.
4. Very good natural lubricity.
5. Low volatility characteristics.
6. Very good hydrolytic stability.
7. Very low foaming tendencies.
8. Excellent demulsibility.

Continued on Next Page

TD-567 (01/2010)

Further blended into this unique combination of high oleic vegetable base fluids and the synthetic polyol ester base fluids is stocks is a highly specialized non-corrosive thermally stable and thermally durable multi-functional extreme pressure additive package that provides the EcoShield™ Biodegradable Industrial EP Oil with the following performance features:

1. Enhanced thermal and oxidation stability and durability to handle high operating temperatures.
2. Excellent extreme pressure properties to protect the gears and bearings from excessive wear and fatigue.
3. Prevention of the formation of sludge and carbon deposits that can erode seals
4. Excellent seal compatibility.
5. Enhanced protection of copper, brass and bronze components from corrosion.
6. Non-corrosivity to brass, bronze and other non-ferrous metal parts.
7. Excellent protection of components from rust and corrosion in dry conditions and in the presence of moisture.
8. Excellent resistance to water and moisture
9. Very good water separability characteristics.
10. Enhanced gear, bearing and seal cleanliness
11. Excellent resistance to foaming
12. Low phenolic content

The trend among industrial gear drive manufacturers is to operate the equipment at higher speeds, loads, power densities and increased torque. These trends have resulted in automotive and industrial gear drives being subjected to higher operating temperatures. These higher operating temperatures have resulted in today's gear lubricant's being subjected to extreme thermal stress. Therefore, it is important that a gear lubricant possess thermal stability and durability characteristics. Gear lubricants that do not possess these properties rapidly oxidize and decompose when subjected to high temperatures, resulting in the formation of sludge, varnish and carbon deposits on the gears, bearings and seals, abraded seals, premature seal hardening and brittleness, and a loss of the gear lubricant's extreme pressure additive chemistries ability to protect against excessive wear, spalling and overall distress to the gears and bearings.

Continued on Next Page

EcoShield™ Biodegradable EP Gear Oil's unique bio-based fluid combination and the thermally stable and thermally durable multi-functional extreme pressure additive package enables the EcoShield™ EP Industrial Gear Oil to resist oxidation and thermal stress at operating temperatures higher than conventional gear lubricants. This results in:

1. A vast reduction in the formation of deposits.
2. Better heat transfer
3. Excellent protection to the gears and bearings even under the most extreme thermally stressed operating conditions.
4. Less wear to the gears, bearings and seals.
5. Increased oil seal life.
6. Lower operating temperatures
7. Less energy consumption
8. Longer lubricant life
9. Less equipment downtime
10. Longer equipment life
11. Reduced maintenance costs

EcoShield™ Biodegradable EP Gear Oil meets and exceeds the following specifications and manufacturer's requirements: AGMA 9005 D-94, AGMA 9005-E02, AGMA 250.04/251.02, DIN 51517 Part 2, US Steel 224. David Brown S1.53101 Type E, DIN 51517 Part 3 (CLP), Cincinnati Machine P-47, P-50, P-53, P-59, P-63, P-74; Military Specification MIL-L-6086C, MIL-L-46017

INSTALLATION

To achieve optimum performance from biodegradable industrial gear lubes, a system should be as free of contamination as possible before charging with the final fill of these fluids. Contamination of biodegradable industrial gear lubes can have an adverse effect on their performance as gear lubricants.

To prevent biodegradable problems caused by admixtures of other fluids and contaminants, Schaeffer Mfg. recommends a flushing procedure for systems being converted to biodegradable industrial gear lubes. The degree of flushing depends on the type and condition of the system and the fluid previously used.

New Systems:

Many new systems may have an internal coating of rust preventatives or may have been run on preservative fluids before shipping. Protective coatings on individual components, such as pumps and valves, should be removed and the components cleaned.

Continued on Next Page

To prepare new systems for the biodegradable industrial gear lube, Schaeffer Mfg. recommends a six-step procedure:

Step 1 – If the system contains oil, drain as much as possible from the system. Wipe the reservoir and other accessible interior spaces with lint-free rags. Look carefully for pipe scale, weld spatter, threading compound, gasket cement, shavings, and other debris left behind after installation.

Step 2 – Replace filters, if necessary.

Step 3 – Charge the system with sufficient EcoShield™ Biodegradable EP Gear Oil to assure full circulation to all components.

Step 4 – Operate the system at normal temperatures and loads for a minimum of four hours. Monitor the differential pressure drop across the filter. A filter change may be necessary during this flush because contaminants in the system are incompatible with the EcoShield™ Biodegradable EP Gear Oil. If this is the case, change the filters and continue to operate the system at normal temperatures, but at reduced loads, until the four hours of flushing are completed.

Step 5 – Drain the system while hot and repeat Step 1. Replace filters if there are any.

Step 6 – Add the final charge of EcoShield™ Biodegradable EP Gear Oil and begin normal operation.

Conversion from E.P Type Gear Lubes:

Step 1 – Before draining systems containing wet and/or degraded automotive oils, add five-percent volume of 131 Neutra Fuel Stabilizer or 287 Food Grade Flushing Agent. Circulate under normal operating conditions for at least six hours. If the system is unusually dirty, add a ten-percent volume of 131 Neutra Fuel Stabilizer or 287 Food Grade Flushing Agent to increase the thoroughness of cleaning and to reduce cleaning time. This much solvent, however, will drastically reduce the viscosity of the oil. Operating the machine under normal load may cause rapid wear, therefore, operate under light load or no load, and monitor temperature and pressures.

Step 2 – Drain the system while hot.

Step 3 – Install new filters and clean the filter housings.

Continued on Next Page

Step 4 – Fill the system with sufficient EcoShield™ Biodegradable EP Gear Oil to assure full circulation to all components. If the system was severely contaminated, substitute 209A Moly Universal Gear Lube in the appropriate ISO viscosity grade for this phase of flushing.

Step 5 – Operate the system for not less than two hours under normal operating conditions.

(If the flushing fluid shows any sign of contamination, repeat Steps 2, 3, 4 and 5)

Step 6 – If the previous flushing charge in the system was not EcoShield™ EP Gear Oil, fill the system with just enough EcoShield™ Biodegradable EP Gear Oil for good circulation. Operate the system under normal conditions for 30 minutes. Repeat Steps 2 and 3, and then proceed to Step 7. If the previous charge was EcoShield™ Biodegradable EP Gear Oil, skip to Step 7.

Step 7 – After repeating Steps 2 and 3, fill the system with the final charge of EcoShield™ Biodegradable EP Gear Oil. Assume normal operation and monitor filters daily.

Conversion from Industrial Type R& O Gear Lubes and Circulating Oils:

Most dry industrial hydraulic and circulating oils are more compatible than automotive oils with EcoShield™ EP Gear Oil. However, the moisture level in systems previously charge with industrial hydraulic and circulating oils must be reached to as low a level as possible.

To flush these systems, operate them under normal conditions for at least four hours prior to draining. Proceed with Steps 2 through 7 described earlier under “Conversion from E.P Type Gear Oils”.

Conversion from Synthetic Oils:

Systems using synthetic oils require special consideration. Contact Schaeffer Mfg. Company for guidance.

SPILLAGE AND DISPOSAL

Depending on the contamination and/or degradation levels, small amounts of spilled or leaked EcoShield™ Biodegradable EP Gear Oil will not adversely affect ground water or the environment. For small spills on the ground uncontaminated product will be readily biodegraded by naturally occurring soil organisms when exposed to air. Nonetheless, spillage of EcoShield™ Biodegradable EP Gear Oil should be handled similarly to currently accepted methods for conventional mineral oil spills.

EcoShield™ Biodegradable EP Gear Oil does not contain hazardous substances reportable under CERCLA. Since all oil spills are reportable, even a spill of this vegetable oil-based product must be reported to the National Response Center (the US Coast Guard). Local environmental agencies should also be consulted to clarify local requirements.

Acceptable methods of disposal include use as a fuel supplement, recycling and reclamation (that is, the same disposal practices available for conventional mineral oils). Since EcoShield™ Biodegradable EP Gear Oil typically will not be a hazardous waste, additional disposal options may be available, including land farming or processing through sewage treatment facilities. If necessary, approvals are obtained from appropriate regulatory authorities.

The flushing solution may not be biodegradable therefore; it should be disposed of in an environmentally safe manner. Follow procedures used for disposing of conventional mineral oils.

Typical Properties on Next Page



"Great Products, Good People"

Dec 19, 2011

G. Fred Bartels, Trainmaster
Cass Scenic Railroad State Park
P.O. Box 107
Cass, WV 24927

Fred,

Attached is Technical Data and MSDS sheets. Schaeffer's "Readily Biodegradable" #567 Ecoshield™ Biodegradable Gear Oil ISO 460 meets USDA criteria for Executive Order: EO 13101 for Bio-based products.

Take a look at the comparison chart below. At the operating temperature of 100-125°F the viscosity of the Schaeffer product is 3 times heavier than present ELM OGL product being used thus usage rate will be reduced significantly. The ELM product meets the SAE 140wt. specification at 100°C (212°F) for drip oil, but at operating temperature it is equivalent to a SAE 40 wt. The reason for this the ELM product is made with soybean oils and a lot of Viscosity Index Improver. The base oil of soybean oils at 40° C (104° F) is around a 40-50 cst (centistokes) thus the reason so much VI improver is needed to meet the original SAE 140 wt @ 100°C (212F) specification, but the nature of the product it is around 3 times thinner at stated operating temperature compared to the trains original specified mineral based oil.

The Schaeffer product was specified according to actual operating temperature and the viscosity requirements based on original specification. The Schaeffer base fluid, high oleic vegetable oil combined with biodegradable synthetic polyol ester is 460 cst at 40°C thus no VI improver needed and actually meets the very lower end of an SAE 250 wt. at 100°C (212F), but the components operate at 100 -125° F (38-52° C) not 212°F. The trains original specs was a compounded SAE 140wt on mineral based oil which thickens much quicker than soybean oils when the temperature decreases thus of the original drip oil specification would be around 460 cst @ 40°C (104°F) matching to the proposed Schaeffer product. The heavier viscosity is needed for the loose tolerance bearings and slides, plus original feed rates were also calculated at this viscosity.

The ELM product *does not* meet original engineered specification at operating temperature. It way too light thus the it flows up to 3 times faster thus requiring more product and more frequent stops to refill plus does not provide heavy enough film for optimal wear protection. Another problem associated with the ELM product is the amount of VI improver used to make the SAE 140 wt spec. The soybean oil/VI improver stratifies thus requiring stirring before use and also creates a hard to clean, baked on film on the engine. The ELM product pour point is another area concern using in operating less than 40° F.

Inclusion, since 1998 EO 13101, biodegradable product technologies have advanced dramatically to enhance performance and stability. The Schaeffer proposed product will cut usage dramatically, greatly reduce labor to handle and reduce time between replacement of "obsolete" components.

The Benefits of Using Schaeffer #567 ECOSHIELD™ BIODEGRADABLE EP GEAR OIL ISO 460

1. much less product usage due to approximately 3 times higher viscosity at actual operating temperature
 - a. may allow longer refill intervals
 - b. less product in the environment
2. better wear protection because Schaeffer product provides proper viscosity at operating temperature originally engineered for the product and contains an exceptional Extreme Pressure additive system
 - a. quieter operation was experienced during preliminary trial of product thus proving better wear protection
3. Heavier viscosity will lessen amount of oil on engine and type of base stocks used will make film easier to remove.
4. less wear will result in longer component life
5. No stirring of product prior to use because the base stocks and no VI improvers needed.
6. Pour point of 15°F versus 35-40°F will provide 20-25°F lower operating temperatures.
7. Labor will be reduced to stir product, clean train, and machine worn parts.



Dale A. Smith



Certified Lubrication Specialist

(937) 216-3797 Email: dalesmolyoil@yahoo.com

CC: Bob Perrine



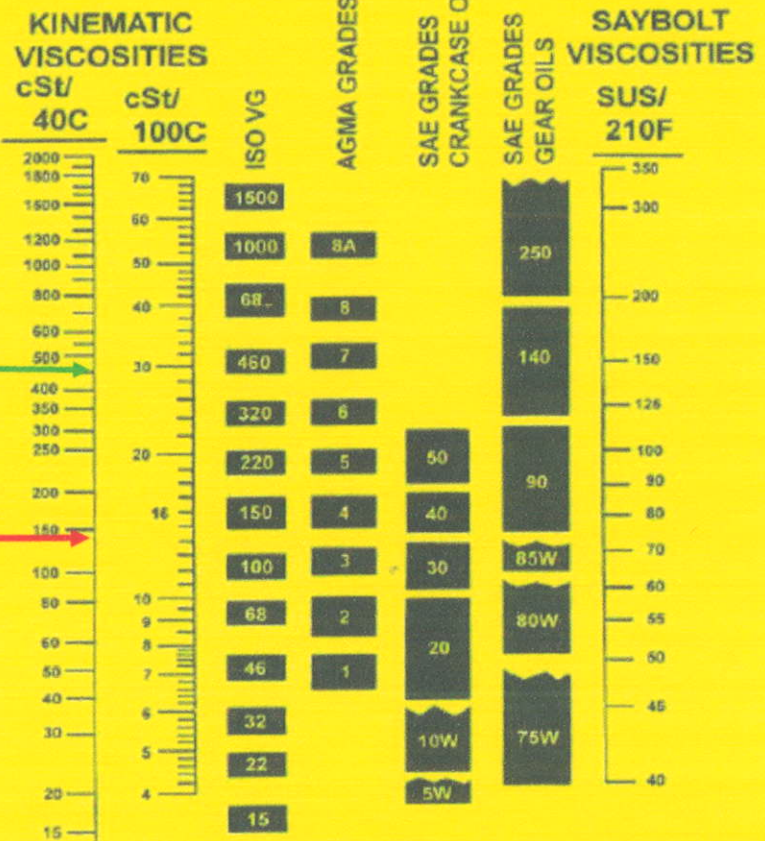
Product Comparison

#567 ECOSHIELD™ BIODEGRADABLE EP GEAR OIL

Verses

ELM SoyEasy® OGL

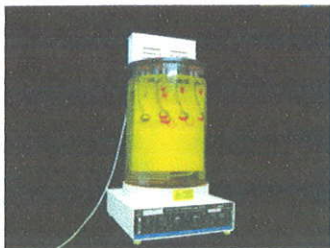
| Typical Properties | Schaeffer | ELM |
|---|--|--------------------|
| Viscosity | SAE 140 | SAE 140 |
| Viscosity 40° C 104° F (ASTM D-445) | 460 cSt | 144 cSt |
| Viscosity 100° C 212° F (ASTM D-445) | 45.57 cSt (SAE 250wt) | 33 cst (SAE 140wt) |
| Viscosity Index (ASTM D-2270) | 155 | 220 |
| Flash Point (ASTM D-92) | >445°F | 594°F |
| Copper Strip Corrosion Test, 3hrs. (ASTM D-130) | 1A | 1A |
| Four Ball EP Test (ASTM D-2783) | 400 | N/A |
| Weld Point, kg | 65.2 | N/A |
| Load Wear Index | Pass/Pass | Pass/Pass |
| Rust Test (ASTM D-665) distilled/salt | Pass/Pass | Pass/Pass |
| Timken EP Test (ASTM D-2782) OK lbs/ Fail lbs | 70/75 | N/A |
| Pour Point (ASTM D-97) | 15° F | N/A Estimate 40° F |
| FZG-Four Square Gear Test (D-5182, A/8.3/90) | 13+ | N/A |
| Falex EP Continuous Load (ASTM D-3233) Procedure A Fail load lbs. | 2500 | N/A |
| Foam Test (ASTM D-892 Option A) Sequence I, II, III | 0/0, 0/0, 0/0 | 0/0, 0/0, 0/0 |
| High Temperature Foam Test (ASTM D6082 Option A) | 0/0 | 0/0 |
| Copper Strip Corrosion Test, 3hrs. (ASTM D-130) | 1A | 1A |
| Demulsibility Test (ASTM D-2711 water/ emulsion) | 85/ trace | N/A |
| Four Ball Wear Test (ASTM 4172) 1hr/40kg/130° Scar Diameter mm | .28 | .45 |
| % Biodegradability Modified Sturm OECD 301B ASTM D-5864 | >60% | pass |
| Environmental Persistence Classification US Military | PW-1 : greater than or equal to 60% in 28 days = Ultimate (ASTM) /Readily (OECD) Biodegradable | NA |
| Base Oil Aquatic Toxicity US EPA LC55 and OECD 203 Test Methods | Non-toxic | Yes |



460 cSt. Viscosity of original train mineral oil specification and Schaeffer 567 Eco Sheild @ 40°C (104°F)

144 cSt. Viscosity of ELM OGL @ 40°C (104° F)

Operation of train stated to be around 100° to 125° F



Measuring Viscosity ASTM D-445

This test method specifies a procedure for the determination of the kinematic viscosity, v , of liquid petroleum products, both transparent and opaque, by measuring the time for a volume of liquid to flow under gravity through a calibrated glass capillary viscometer at a set temperature typically at 40°C 104 and 100 C° (212°F).