Arkansas Motor Fuel Supply Agreements/Documenting the Jobber/Retailer Relationship: Fall Edition of the Arkansas Oil Marketers Association Publication - THE CANOPY

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I authored an article in the Fall edition of the Arkansas Oil Marketers Association publication, The Canopy, titled:

Arkansas Motor Fuel Supply Agreements: Documenting the Jobber/Retailer Relationship ("Article").

The Article discusses the importance of the jobber/retailer relationship and the various forms it can take. A particular focus of the Article is:

- Need to ensure that the jobber relationship with the retailer is adequately documented for purposes of demonstrating commitment between the parties.
- The care that must be taken to not trigger liability by interfering with a third-party preexisting jobber/retailer relationship.

There is also a recognition of certain realities such as:

- Jobbers sometimes use retailers with limited experience.
- Operating retail facilities can require a significant financial investment by both the jobber and retailer.
- Doing business with motor fuel retailers that have a less than stellar credit history is a fact of life for many jobbers.
- Responsibilities in operating those facilities are varied.
- Difficulties may arise in allocating responsibilities between the parties and/or ensuring the responsible party fulfills the allocated obligation.
- A jobber's perspective on pursuing particular terms or conditions in an agreement depends on competitive issues.

The Article addressed the following aspects of jobber/retailer motor fuel supply agreements:

- Retailer/Jobber Relationships.
- Structure of the Relationship.
- Straight Dealer.
- Commission Agent.

- Retail Level Consignee.
- Branded/Unbranded.
- Key Components of the Supply Contract.
- Parties.
- Who are the Parties to the contract?
- Is the retailer a viable entity?
- Term/Duration.
- Products Supplied.
- Property Description/Location.
- Branded/Unbranded.
- Quantity.
- Price – (cent(s) over net rack, rack plus cent(s), etc.).
- Incentives/Rebates
- Responsibility/Liability.
- Storage Tanks and Related Equipment (i.e., pumps, dispensers, credit card readers).
- Arkansas Petroleum Storage Tank Trust Fund.
- Credit/UCC Financing.
- Delivery Location/Risk of Loss.
- Freight Charges.
- Taxes.
- Non-Performance.
- Quantity/Quality.
- Warranties/Representations.
- Insurance.
- Audit/Inspection.
- Equipment Loan Provision.
- Assignment.
- Waiver.
- Indemnity.
- Compliance with Law (catchall for other governmental requirements).
- Government Price Regulation.
- Security Agreement/Financing
- Notices.
- Termination/Non-renewal Provisions.
- Modification of Agreement.
- Entire Agreement/Integration.
- Prior Agreements.
- **Interference with an Existing Motor Fuel Supply Contracts/Risks?**

A copy of the Article can be downloaded here.