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<b>File #:</b>	ID#19-6632	<b>Version:</b> 1	<b>Name:</b>	Fuel Purchases for City Vehicles
<b>Type:</b>	Action Item	<b>Status:</b>	City Manager Report	
<b>File created:</b>	8/14/2019	<b>In control:</b>	Solid Waste/General Services	
<b>On agenda:</b>	9/5/2019	<b>Final action:</b>		
<b>Title:</b>	Award a contract (blank purchase order) to Jet Age Fuel, Inc. of Clearwater, FL in the annual amount of \$2,700,000 for the purchase of unleaded and diesel fuel, with two one-year renewal terms at the City's option and authorize the appropriate officials to execute same.			
<b>Attachments:</b>	1. <a href="#">ITB 37-19 bid tabulation.pdf</a> , 2. <a href="#">37-19 Notice of Intent to Award.pdf</a>			

[History \(1\)](#)[Text](#)**SUBJECT/RECOMMENDATION:****Title**

Award a contract (blank purchase order) to Jet Age Fuel, Inc. of Clearwater, FL in the annual amount of \$2,700,000 for the purchase of unleaded and diesel fuel, with two one-year renewal terms at the City's option and authorize the appropriate officials to execute same.

**Body****SUMMARY:**

Invitation to Bid (ITB) No. 37-19 was issued in July 2019. Three responses were received. The ITB pricing structure was based on specific dates' rack rates, and the respective Fixed Fee Markup (+ or -) from the bidders. Fuel prices change daily based on the rack rate market index (OPIS), markups, and applicable taxes/fees. For general reference, on July 26, 2019, fuel prices were \$2.13 for unleaded and \$ 2.30 for diesel, per gallon.

This contract is for the purchase of unleaded and un-dyed diesel fuel for delivery to the City's fuel facility located at 1701 N. Hercules Avenue and for the purchase of dyed diesel for delivery to the City's fixed and mobile generators at various locations within the city. The fuel purchased from this contract is utilized in the majority of city equipment, including police and fire.

Jet Age was the lowest bidder on ITB 37-19. Additionally, the ITB required a written commitment from the supplier of their ability to be responsive to Clearwater in emergency situations. Jet Age provided a written confirmation of their ability to supply fuel 24 hours a day, seven days a week, including during the hurricane season; and if their supply from the Port of Tampa is interrupted they have the ability to obtain fuel via truck from Jacksonville, Florida or Bainbridge, Georgia.

Per the US Energy Information Administration, the average retail price for diesel to-date in 2019 is \$3.04 per gallon and the average retail price for unleaded to-date is \$2.79 per gallon (projections of cost for the period of this award were averaged to estimate the price per gallon and includes taxes for which the City is reimbursed). The City does not pay Federal taxes but does pay state taxes at time of payment and submits for reimbursement on a monthly basis.

**APPROPRIATION CODE AND AMOUNT:**

Budgeted funds for FY19 are available in the Garage Fund cost code 5666611-550500 (Fuel)

- FY19 \$225,000 (1 month)

Funds for FY20 are included in the proposed budget for the Garage Fund cost code 5666611-550500 (Fuel)

- FY20 \$2,700,000

Future fiscal year budgets will include requests for funding:

- FY21 \$2,700,000
- FY22 \$2,475,000 (11 months)