

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: April 7, 2025

Topic:

Approve additional fiscal year expenditure of \$160,000 for the purchase of diesel fuel and gasoline for City vehicles and equipment from Sun Coast Resources, Inc. (Bid No. 2021-04) and authorize the City Manager to execute any and all documents related to the expenditure. This amount is included in the FY 2024-2025 budget.

Background:

The City previously solicited sealed bids (Bid No. 2021-04) for the purchase of diesel fuel and gasoline for City vehicles and equipment in June 2021. The contract was awarded by City Council to Sun Coast Resources on July 19, 2021, for an initial two-year term with the option to renew for two additional two-year terms. In November 2023, City Council approved the first of two available two-year renewals, with the agreement expiring on November 20, 2025.

At the time of the contract renewal, City Council authorized a not-to-exceed expenditure amount of \$394,000 for the two-year term. As of March 1, 2025, expenditures for fuel purchases were \$389,780. Staff is requesting to increase the total expenditure by \$160,000, for a not-to-exceed expenditure amount of \$554,000, to cover fuel purchases from November 21, 2023 through November 20, 2025.

Fiscal Year	Expenditure
FY 2024 (November 2023 – September 2024)	\$291,695
FY 2025 (October 2024 – February 2025)	\$98,085
FY 2025 Estimated Remaining Expenditures	\$162,000
Total Estimated Expenditures	\$551,780
Additional Funds Required	\$157,780

All existing terms of the contract are to remain the same, including the pricing differential set at the renewal based on the Oil Price Information Service (OPIS) PADD3 rates for Houston, Texas, the OPIS PADD3 rates included in the renewal are depicted below:

Fuel Type	Price Differential
Midgrade 89 Octane Gasoline	+\$0.0745
HXLED High Sulfur Diesel	+\$0.0178
TXLED Low Sulfur Diesel	+\$0.0178

Origination: Project Management

Recommendation:

Staff recommends approving additional fiscal year expenditure of \$160,000 for the purchase of diesel fuel and gasoline for City vehicles and equipment from Sun Coast Resources, Inc., for a not-to-exceed expenditure amount of \$554,000.

Party(ies) responsible for placing this item on agenda: Meagan Mageo

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____

If yes, specify Account Number: #Account 6108
Departments (112,
121, 142, 145,151,
152, 153, 154, 156,
157, 611, 612, 613,
614 & 615)

If no, funds will be transferred from account: # _____ To Account: # _____

Signed: _____ **Approved by:** _____

Staff Member Date City Manager Date