




## MEMORANDUM

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Date: April 18, 2023

To: Honorable Mayor and Commissioners

Via: Albert P. Childress   
City Manager

From: Marcus Davila  
Director of Community Services

Subject: **Awarding the bid of Sunshine Gasoline Distributors, Inc. for the bulk purchase of diesel and gasoline**

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### Introduction

Awarding the bid of Sunshine Gasoline Distributors, Inc. for the bulk purchase of diesel and gasoline in accordance with the terms specified in ITB #23-004 for a five(5) year contract.

### Background

On March 22 the City received 2 bids for ITB 23-004 City Fuel Supply from Sunshine Gasoline Distributors, Inc. and Dion Fuels, LLC. Both firms provided a responsible and responsive bid. Sunshine Gasoline Distributors, Inc. was the lowest bidder. The bid was broadcast on March 3.

The City of Key West purchases bulk diesel and gasoline to provide for all City Vehicles, equipment, marine vessels and retail fuel sales at the Key West Historic Seaport. With the purchase of bulk fuel at a wholesale level, and as a tax-exempt entity, it is advantageous for The City of Key West to continue to purchase bulk fuel versus purchasing from commercial outlets.

City staff compiled bid specifications to include diverse types of fuel for the needs of all City departments. There were two(2) responsible and responsive bidders of which Sunshine Gasoline Distributors, Inc. was consistently the low bidder on all fuel types.

As fuel prices fluctuate, the basis of the bid was the price over the DTN FastRacks average daily price for terminal #6 Miami area (Port Everglades). The spread between the rack rate and the delivered rate was the metric used to qualify the lowest responsive, responsible bidder.

**Procurement**

Approval of the bid award to Sunshine would allow the City to purchase fuel at a competitive price. All fuel purchases made by the City are budgeted in accounts for the purchasing department.

**Recommendation**

Staff recommends awarding the bid from Sunshine Gasoline Distributors, Inc. for the bulk purchase of diesel and gasoline for the five(5) year contract.

**Attachments:**

Bid Memo

ITB 23-004 City Fuel Supply

Addendum 1

Bid-Sunshine Gasoline Distributors, Inc.

Bid- Dion Fuels, LLC