

**AGENDA ITEM REPORT**

**DATE:** September 15, 2026  
**DEPARTMENT:** Procurement Management  
**REQUESTER:** Mary G. Tucker  
**TITLE:** Award Annual Countywide Contract for Fuel Purchase

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**I. MOTION REQUESTED**

- A. Award Invitation to Bid No. B260133BJB, Fuel Purchase - Annual to Colonial Oil Industries, Inc. as a primary vendor, and Palmdale Oil Company, LLC as a secondary vendor to provide unleaded gasoline and diesel fuel on an as-needed basis, for an initial term of three-years, with the option to renew for an additional period of six months, as approved in the departments' annual adopted budget.
- B. Authorize the Chair to execute the contract documents on behalf of the Board of County Commissioners.
- C. Grant the County Manager or designee the authority to renew the contract(s), for up to 6 additional months, and to execute all associated documents, as approved in the departments' annual adopted budgets, if doing so is in the best interest of Lee County.

**II. ITEM SUMMARY**

Awards a competitively solicited contract to Colonial Oil Industries, Inc. as a primary vendor, and Palmdale Oil Company, LLC as a secondary vendor to provide unleaded gasoline and diesel fuel on an as-needed basis for an initial three-year period with an option to renew the contracts for a period up to six months. Unleaded gasoline and diesel fuel are purchased in bulk for the County's vehicles and generators. The County departments that purchase fuel under the annual contract are Fleet Management, Parks & Recreation, Solid Waste, Transit (LeeTran) and Utilities. Purchases for these services in Fiscal Year 2024-2025 were \$5,889,427.10. In the event this contract is used for purposes eligible for federal reimbursement, the solicitation and contract comply with federal reimbursement regulations. Individual purchases in excess of \$100,000 will be presented to the Board for approval.

**III. BACKGROUND AND IMPLICATIONS OF ACTION**

To verify fair and reasonable fuel pricing, Lee County uses the Oil Price Information Service (OPIS), a company that offers price transparency across the global fuel supply chain. Vendors providing fuel to the County charge a fixed markup over the OPIS average Tampa, Florida price per gallon as reported by OPIS through a daily report for Unleaded 87 and 89 Octane, #2 Ultra Low Sulfur Diesel Clear, and # 2 Ultra Low Sulfur Diesel Dyed fuel. Using OPIS fuel price benchmarks as the base price for fuel purchased supports the County's efforts to ensure the best price in real time without the need to process contract amendments or change orders.

Procurement Management solicited bids for a continuing service contract for the purchase of unleaded gasoline and diesel fuel. The solicitation was advertised on June 26, 2026. On the bidding deadline of July 27, 2026, procurement received five bids, of which only four were found to be responsive. After conducting an analysis of the bid submissions, Colonial Oil Industries, Inc. was determined as the lowest responsive and responsible bidder.

Palmdale Oil Company, LLC was determined to be the second lowest responsive and responsible bidder. Determination was made based on the bidder that provided the lowest flat markup rate per gallon above the fixed markup charge as established by the OPIS price.

Staff recommends awarding a contract to Colonial Oil Industries, Inc. as the primary vendor and to Palmdale Oil Company, LLC as the secondary vendor on an as-needed basis for an initial three-year period. The primary vendor will be utilized first for orders. If the primary vendor is unable to fulfill the need or meet the timeline required, the secondary vendor may be contacted by the County.

**IV. FINANCIAL INFORMATION**

|                                  |                                                                                                  |
|----------------------------------|--------------------------------------------------------------------------------------------------|
| Current Year Dollar Amount:      | See Comments below.                                                                              |
| Included in the Current Budget?: | Yes                                                                                              |
| Fund:                            | Various funds.                                                                                   |
| Comments:                        | Expenditures will be on an as-needed basis as approved in departments' annually adopted budgets. |

Is this a revenue or expense item? Expense  
Is this Discretionary or Mandatory? Discretionary  
Will this item impact future budgets? N/A  
Program: N/A  
Project: N/A  
Account Strings: N/A  
Fund Type? Various funds.

**V. RECOMMENDATION**

Approve

**ATTACHMENTS:**

Colonial Oil Proposed Agreement B260133BJB OCR, Palmdale Oil Proposed Agreement B260133BJB OCR, Price Comparison OCR, Price Tabulation and Verification

**REVIEWERS:**

Jennifer Brewer-Dano, Procurement Management  
Mary Tucker, Procurement Management  
Anne Henkel, Budget Services  
Robert Holborn, County Attorney  
Peter Winton, County Manager

Created/Initiated - 9/2/2026  
Approved - 9/2/2026  
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