



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: November 18, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with Wärtsilä North America Inc., for the cylinder head valve replacement overhaul for the Denton Energy Center, which is the sole provider of this equipment, in accordance with Texas Local Government Code 252.022, which provides that procurement of commodities and services that are available from one source are exempt from competitive bidding, and if over \$50,000, shall be awarded by the governing body; providing for the expenditure of funds therefor; and providing an effective date (File 8826 – awarded to Wärtsilä North America Inc., for one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$5,852,615.00). The Public Utilities Board will consider this item on Monday, November 17, 2025.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

In order for the Denton Energy Center (DEC) team to maintain high unit availability, replacement valves and components installed in the cylinder head have been upgraded to 20-degree angles to help with valve recession issues. This issue can result in major equipment failure of valve breakage, and turbo damage. It has been recommended by the engine manufacturer to overhaul and change out cylinder head valves to this new valve angle design. Another important process is called swing sets, which can be used to reduce downtime, allowing for expeditious return to service timeframes. These swing sets are components of the engine that require rebuilding or repair during overhauls. The rebuilding of the component is done onsite, utilizing DEC staff or off-site at an authorized repair shop. Both methods are time-consuming, resulting in revenue potential being missed. With these major components onsite as swing sets, the outage times will be drastically reduced due to off-site shipping time frames and/or not having to rebuild/repair the parts onsite during the overhauls. The parts requiring maintenance are simply taken off the unit, and the swing set part is installed, allowing for the repair work of the removed component to take place after the unit is back available.

Other vendors, including MSHS and Goltens, were contacted in efforts to outsource the components, and it has been found that only Wärtsilä North America can provide the newly designed valve angles to install in cylinder heads. These components are manufactured by Wärtsilä and not authorized for sale by other suppliers.

Section 252.022 of the Local Government Code provides that procurement of sole source commodities and services are exempt from competitive bidding, if over \$50,000, shall be awarded by the governing body.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On November 17, 2025, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award with a contract to Wärtsilä North America Inc., for the cylinder head valve replacement overhaul for the Denton Energy Center, in a one (1) year, with the option for four (4) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$5,852,615.00.

PRINCIPAL PLACE OF BUSINESS

Wärtsilä North America, Inc.
Houston, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) year contract with options to extend the contract for four (4) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

These items will be funded from DEC Cylinder Head Replacement and Overhaul Services project account 605620500. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is \$5,852,615.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Arthur Pando, 940-349-8653.

Legal point of contact: Marcella Lunn at 940-349-8333.