



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: June 17, 2025

SUBJECT

Consider adoption of an ordinance of the City Of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to utilize a contract through the City of Fort Worth, for the purchase of motor vehicle fuels for the Fleet Services Department, as awarded by the City of Fort Worth Bid No. 63191; providing for the expenditure of funds therefor; and providing an effective date (File 8855 – awarded to TACENERGY, LLC, 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 \$24,444,000.00).

STRATEGIC ALIGNMENT

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

INFORMATION/BACKGROUND

The City of Denton's Fleet Services Division is proposing a contract for unleaded and diesel fuels through an interlocal agreement with the City of Fort Worth and TACENERGY, LLC. This strategic arrangement allows the City to leverage an existing, competitively bid contract, providing a streamlined and efficient method for supplying fuel to its extensive fleet of over 1600 vehicles and pieces of equipment. The two primary fuel types to be procured under this agreement are unleaded gasoline and diesel, both of which are indispensable for the daily operations of a wide range of municipal departments.

To ensure convenient and reliable access to these essential resources, the City operates three strategically located bulk fueling sites at 804 Texas Street, 1251 South Mayhill Road, and 4201 Vintage Boulevard. This established infrastructure directly supports critical city-wide functions, guaranteeing that vital services such as emergency response by police and fire departments, the continuous operation of utility services, the consistent collection of solid waste, the execution of essential public works projects, and the maintenance of parks and recreation facilities and all other City operations can proceed without interruption.

The determined value of the proposed contract is a result of a thorough and data-informed process. This involved a comprehensive historical spend analysis across all City departments, analyzing past fuel consumption patterns. Furthermore, projections of future operational needs and anticipated trends were carefully considered. This data-driven approach ensures that the contract value accurately reflects the City's current and future fuel requirements, optimizing cost-effectiveness and securing a reliable fuel supply for the foreseeable future.

Estimated Contract Expenses						
Category	2025	2026	2027	2028	2029	Total
Unleaded & Diesel Fuel	\$3,590,000	\$4,060,000	\$4,590,000	\$5,180,000	\$5,860,000	\$23,280,000
Contingency 5%	179,500	203,000	229,500	259,000	293,000	1,164,000
Total	\$3,769,500	\$4,263,000	\$4,819,500	\$5,439,000	\$6,153,000	\$24,444,000

Pricing obtained through the City of Fort Worth has been competitively bid and meets the statutory requirements of Texas Local Government Code 271.102.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 12, 2006, City Council approved the interlocal agreement with the City of Fort Worth (Ordinance 2006-240).

RECOMMENDATION

Award a contract with TACENERGY, LLC, for the purchase of motor vehicle fuels for the Fleet Services Department, 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 \$24,444,000.

PRINCIPAL PLACE OF BUSINESS

TACENERGY, LLC
Dallas, 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. This City of Fort Worth contract expires on May 31, 2030.

FISCAL INFORMATION

These products and services will be funded through Capital Fund accounts. The budgeted amount for this item is \$24,444,000. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Presentation
Exhibit 3: Ordinance

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

For information concerning this acquisition, contact: Tom Gramer, 940-349-7467.

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