



MEMORANDUM

ADMINISTRATION

To: Honorable Mayor and Members of the City Council

Through: Benjamin Williamson, City Manager

From: Catherine Lee, Deputy Director Finance, Fleet, and Facilities

CC: Jawaria Tareen, Deputy City Manager; Tammy Zimmerman, Director Finance, Fleet, and Facilities

Date: January 21, 2025

Subject: Resolution No. 2025-007 – Agreement with Tartan Oil Through the Tarrant County Interlocal Agreement

Background Information: The City of Farmers Branch has over 300 assets that require unleaded or diesel fuel for operation. Currently, there are two unleaded fueling sites, located at the Justice Center and Senlac Service center, and one diesel fueling site, located at Senlac Service Center. In FY 2022, the City purchased about 98,000 gallons of unleaded gas and 45,000 gallons of diesel gas. In FY 2023, the City purchased about 123,000 gallons of unleaded gas and 52,000 gallons of diesel gas. Previously, the City purchased fuel on a month to month emergency basis. Staff looked at options for a fueling contract and found the Tarrant County fuel contract with Tartan Oil.

On March 14, 2023, The Tarrant County Commissioners Court awarded the annual contract for fuel to Tartan Oil, formerly Saratoga Rack Marketing. The bid was awarded to the low bids meeting specifications set by Tarrant County. On February 21, 2024, the Commissioners Court renewed the annual contract for fuel exercising the first optional 12-month period of three at the same firm fixed prices. The vendors notified Tarrant County Purchasing in writing that the prices will remain firm through April 6, 2025. If approved, the City of Farmers Branch will be the twelfth government entity currently utilizing this bid. Staff reached out to Offen Petroleum and Martin Eagle requesting quotes but were unsuccessful in their efforts.

By utilizing Tarrant County's contract, we reduce staff time spent procuring this purchase, including preparing specifications, bidding process, and evaluation time. Tarrant County followed the same State purchasing guidelines that the City adheres to. Additionally, by using Tarrant County's contract, the cost per gallon of fuel is much less than what the City would be able to obtain due to the amount of fuel that is purchased through the contract.

If Tarrant County does not renew their agreement with Tartan Oil in March 2025, then we will cancel the remainder of the purchase order and ask to transition the funds to the Tarrant County's new contract. The City of Farmers Branch has been utilizing the Tarrant County Fuel Contract to purchase its fuel for city owned fleet vehicles and equipment since the beginning of this fiscal year.

Action Requested: Consider approving Resolution No. 2025-007 authorizing the City Manager to enter into an agreement with Tartan Oil through the Tarrant County Interlocal Agreement for the purchase of unleaded and diesel fuel in an amount not to exceed \$400,000; and take appropriate action.

Financial Considerations: The FY 2024-25 budget includes \$544,200 for the purchase of fuel to be used in city owned vehicles and equipment. We estimate using about \$400,000 for the remaining months.

Alternatives: If this item is not approved, we will continue to purchase fuel through Tartan Oil through an emergency purchase order as allowed by the Texas Local Government code.