

# Memorandum



CITY OF DALLAS

DATE April 4, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair),  
Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Fuel Purchase

The Monday, April 7<sup>th</sup>, Budget, Finance and Audit Committee agenda will include a briefing on the upcoming fuel purchase.

Please let me know if you need additional information.

A handwritten signature in blue ink that reads "Jeanne Chipperfield".

Jeanne Chipperfield  
Chief Financial Officer

## Attachment

c: Honorable Mayor and Members of City Council  
A.C. Gonzalez, City Manager  
Warren M.S. Ernst, City Attorney  
Craig D. Kinton, City Auditor  
Rosa A. Rios, City Secretary  
Daniel F. Solis, Administrative Judge  
Ryan S. Evans, Interim First Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Theresa O'Donnell, Interim Assistant City Manager  
Shawn Williams, Interim Public Information Officer  
Elsa Cantu, Assistant to the City Manager

# Fuel Purchase

Presented to the Budget,  
Finance and Audit Committee

April 7, 2014



# Objectives

- Provide an overview of the City's fuel master agreement procurement process
- Provide a brief overview of the local preference ordinance
- Review fuel purchase options on April 23<sup>rd</sup> agenda

# Fuel Procurement Information

- City has eight multi-pump primary fuel islands and 85 smaller fuel distribution sites (fire stations, service centers, etc.)
- Fuel supports a fleet of over 6,400 units in delivery of City services
- Total projected 3-year usage is 19,246,500 gallons
- Fuel is priced utilizing a +/- adder to Platts' indices
  - Daily index and the recommended bidder is paid this adder per gallon of fuel purchased (ranges from \$0.0688-\$0.1425 depending on type of fuel and quantity delivered)
- The fuel solicitation was categorized in eight separate groups by type of fuel and delivery

# Fuel Procurement Information

- City is required to pay a number of state and federal fees and taxes
  - State tax \$0.20/gal
  - Refinery LUST Fee of \$0.001/gal  
Leaking Underground Storage Tank (LUST)
  - Federal Oil Spill Fee \$0.001905/gal
  - State Delivery Fee \$2.75-\$11/delivery  
Fee varies based on size of delivery truck
- Fees and taxes are passed through as fixed costs
- City has a separate fixed price contract for compressed natural gas (CNG)

# Current Fuel Solicitation Results

9 bids received on January 30, 2014, 2 eligible for Local Preference and 2 tie bids

	Local Preference – Option 1	Low Bid – Option 2
Fuel Cost	\$58,035,020.93	\$58,035,020.93
Taxes and Fees	\$3,568,789.16	\$3,568,789.16
<b>Mark Up</b>	<b>\$1,736,487.00</b>	<b>\$1,687,182.00</b>
Total	\$63,340,297.09	\$63,290,992.09

Difference \$49,305.00

# Local Preference Overview

City Council adopted a local preference ordinance on June 27, 2012

- Requires the staff to present, for Council approval, bids submitted by local businesses
- Provides:
  - An opportunity to encourage local companies to do business with the City
  - Increased competition
  - Stronger economy for Dallas residents and businesses
- Potential economic benefits created by the contract award including employment of residents of the City and/or increased tax revenues to the City

# Local Preference summary

Contract Amount Only <u>Low Bid</u> Contracts	Goods	General Services	Construction Services and Facility Construction
\$0 - \$50,000	No preference	No preference	No preference
\$50,001 - to under \$100,000	5% preference	5% preference	5% preference
\$100,000 – to under \$500,000	5% preference	5% preference	No preference
\$500,000 plus	3% preference*	No preference	No preference

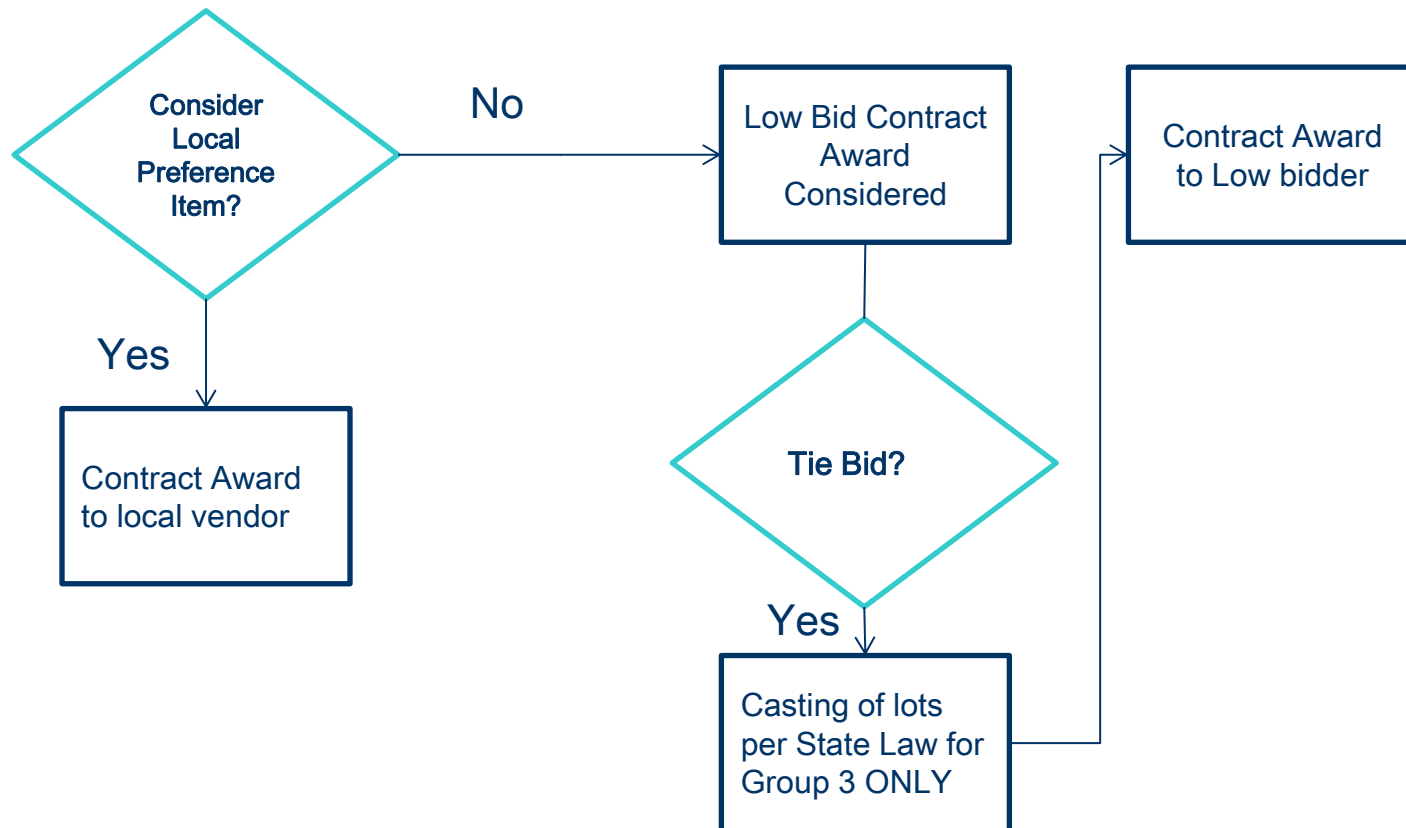
\*Highlighted preference applies to this procurement



# City Council Options

- On April 23, 2014, Council will be asked to authorize a three-year master agreement, with two one-year renewal options, for the purchase of unleaded and diesel fuels
- Two agenda items will be presented for consideration:
  - First agenda item will be for the consideration of awarding the **low bids** for all groups except 1 and 3, and award of the **local preference** bids for groups 1 and 3 - \$63,340,297 (Appendix)
  - Second agenda item will recommend the award of **low bids** for all groups with tie bids on group 3 - \$63,290,992 (Appendix)
  - Only one resolution will be approved

# Fuel Procurement Decision Tree





# **COUNCIL OPTION 1 LOCAL PREFERENCE**

# Local Preference - Group 1 - Bid Tabulation – Is bid within 3% of non-local bidder?

<b>Group 1 – Unleaded Gasoline (Tanker)</b>					
<i>Bidder</i>	<i>Local Vendor</i>	<i>Base Bid</i>	<i>Local adjustment</i> <i>(Bid + 3%)</i>	<i>Adjusted Bid Price</i>	<i>Award Bid Price</i>
Hartland Fuel Products, LLC	No	\$23,437,729.50	\$703,131.89	\$24,140,861.39	
Truman Arnold Companies, dba TAC Energy	Yes	\$23,480,209.50	0	\$23,480,209.50	\$23,480,209.50 <i>(.18% or \$42,480 more than low bidder)</i>



# Local Preference - Group 3 - Bid Tabulation – Is bid within 3% of non-local bidder?

Group 3 – Texas Low Emission Diesel Fuel (Tanker)					
<i>Bidder</i>	<i>Local Vendor</i>	<i>Base Bid</i>	<i>Local adjustment (Bid + 3%)</i>	<i>Adjusted Bid Price</i>	<i>Award Bid Price</i>
*Martin Eagle Oil Company	No	\$17,422,055.25	\$522,661.66	\$17,944,716.91	
*Mansfield Oil Company of Gainesville	No	\$17,422,055.25	\$522,661.66	\$17,944,716.91	
Truman Arnold Companies, dba TAC Energy	Yes	\$17,428,880.25	0	\$17,428,880.25	\$17,428,880.25 (.04% or \$6,825 more than low bidder)



\*Martin Eagle Oil Company and Mansfield Oil Company of Gainesville are tied as the lowest responsive bidder.

# Summary of Local Preference By Group

	Local Preference Agenda Item	
Group	Recommended Bidder	Value
1*	Truman Arnold Companies, dba TAC Energy	\$23,480,209.50
2	Mansfield Oil Company of Gainesville	\$2,891,002.95
3*	Truman Arnold Companies, dba TAC Energy	\$17,428,880.25
4	Douglass Distributing	\$5,079,832.50
5	Martin Eagle Oil Company	\$9,518,685.92
6	Martin Eagle Oil Company	\$610,994.96
7	Douglass Distributing	\$4,287,353.25
8	Douglass Distributing	\$43,337.76
Total		\$63,340,297.09

\*Note: Groups 1 & 3 are Local Preference, remaining groups are low bid

# Local Preference Bidder

- Local Preference applies on two of the eight groups
- Truman Arnold Companies dba TAC Energy has completed the required affidavit indicating they meet the applicable requirements within the ordinance
  - Principal place of business located in Dallas, Texas
  - Currently has 33 employees at its Dallas location and plans to hire one new employee and retain two employees to supply motor fuels, provide logistics, transportation and order processing in relation to this City agreement



# **COUNCIL OPTION 2 LOW BID AWARD**



# Low Bid

- Low bidders are being recommended for 7 of the 8 groups
- Received a tie bid for one group which requires the following action outlined by State statutes:
  - Casting of lots to identify the recommended vendor resulting from the bids
  - Casting must be in the presence of the governing body of the municipality

# Summary of Low Bid By Group

	Low bid	
Group	Recommended Bidder	Value
1	Hartland Fuel Products, LLC	\$ 23,437,729.50
2	Mansfield Oil Company of Gainesville	\$ 2,891,002.95
3*	Martin Eagle Oil Company	\$ 17,422,055.25
3*	Mansfield Oil Company of Gainesville	\$ 17,422,055.25
4	Douglass Distributing	\$ 5,079,832.50
5	Martin Eagle Oil Company	\$ 9,518,685.92
6	Martin Eagle Oil Company	\$ 610,994.96
7	Douglass Distributing	\$ 4,287,353.25
8	Douglass Distributing	\$ 43,337.76
Total		\$ 63,290,992.09
*Tie Bid		



# Questions?

# Appendix

- Attachment I- Tie Bids Draft Agenda Item
- Attachment II- Local Preference Draft Agenda Item

**KEY FOCUS AREA:** Efficient, Effective and Economical Government

**AGENDA DATE:** April 23, 2014

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Business Development & Procurement Services  
Equipment & Building Services

**CMO:** Jeanne Chipperfield, 670-7804  
Forest E. Turner, 670-3390

**MAPSCO:** N/A

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### **SUBJECT**

Authorize a three-year master agreement, with two one-year renewal options, for the purchase of unleaded and diesel fuels based on Platts index rates – Hartland Fuel Products, LLC in the amount of \$23,437,730, W. Douglass Distributing, LTD. in the amount of \$9,410,523, Martin Eagle Oil Company, Inc. in the amount of \$10,129,681 or \$27,551,736 (**Tie Bids - Group 3**) and Mansfield Oil Company of Gainesville, Inc. in the amount of \$2,891,003 or \$20,313,058 (**Tie Bids - Group 3**), lowest responsible bidders of nine - Total not to exceed \$63,290,992 - Financing: Current Funds (subject to annual appropriations)

### **BACKGROUND**

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

This master agreement will allow the City to purchase multiple types of unleaded and diesel fuels for the City's fleet including unleaded, Texas low-emission diesel, bio-diesel, super unleaded 93 octane and red dye diesel. All fuel under this agreement is priced utilizing a +/- adder to Platts' indices.

Platts' indices showing current fuel prices are generated and published for specific areas of the country on a daily basis. The pricing service is internationally recognized as an accurate and comprehensive index for establishing fuel prices.

**BACKGROUND (Continued)**

The City's projected demand for the three-year agreement is approximately 19,246,500 gallons. Fuel is distributed to approximately 100 City sites including eight fuel islands, fire stations, sanitation locations and pump stations.

This agreement will allow for the purchase of the following fuel types:

- Unleaded fuel used for cars, squad vehicles, pickup trucks
- Super unleaded fuel used for police motorcycles
- Diesel fuel used for fire equipment and some heavy duty vehicles
- Bio-diesel fuel used for sanitation fleet and other heavy duty vehicles
- Red Dye diesel used for off-road vehicles used at the landfill

This action will also require the casting of lots to identify the recommended vendor resulting from tie bids on group 3. This process is being executed in accordance with Texas Local Government Code, Section 271.901. This section of the Texas Local Government Code states, in part:

- The municipality must select identical bids by the casting of lots
- The casting of lots must be in the presence of the governing body of the municipality
- If one of the bidders submitting an identical bid is a resident of the municipality, the municipality must select that bidder

This particular solicitation resulted in identical bids for group 3 from vendors located outside the city limits.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 582 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On December 12, 2012, City Council authorized an increase to the master agreement for unleaded and diesel fuels based on Oil Pricing Information Service (previously referred to as Oil Pricing Index Service) rates by Resolution No. 12-3049.

On May 1, 2013, City Council authorized a one-year master agreement for unleaded and diesel fuels based on Platts index rates by Resolution No. 13-0765.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)**

On April 7, 2014, this item was briefed to the Budget, Finance, and Audit Committee.

**FISCAL INFORMATION**

\$63,290,992.09 - Current Funds (subject to annual appropriations)

**M/WBE INFORMATION**

133 - Vendors contacted  
 133 - No response  
     0 - Response (Bid)  
     0 - Response (No bid)  
     0 - Successful

582 M/WBE and Non-M/WBE vendors were contacted

The recommended awardees have fulfilled the requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

**ETHNIC COMPOSITION****Hartland Fuel Products, LLC**

White Male	55	White Female	32
Black Male	0	Black Female	0
Hispanic Male	0	Hispanic Female	3
Other Male	3	Other Female	3

**W. Douglass Distributing, LTD.**

White Male	72	White Female	33
Black Male	1	Black Female	2
Hispanic Male	2	Hispanic Female	1
Other Male	1	Other Female	1

**Martin Eagle Oil Company, Inc.**

White Male	14	White Female	7
Black Male	1	Black Female	0
Hispanic Male	5	Hispanic Female	2
Other Male	0	Other Female	0

**ETHNIC COMPOSITION (Continued)****Mansfield Oil Company of Gainesville, Inc.**

White Male	226	White Female	190
Black Male	23	Black Female	21
Hispanic Male	15	Hispanic Female	7
Other Male	8	Other Female	10

**BID INFORMATION**

The following bids were received from solicitation number BD1402 and were opened on January 30, 2014. This master agreement/service contract will be awarded to the lowest responsive and responsible bidders by group. Information related to this solicitation is available upon request.

\*Denotes successful bidders

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount of Bid</u></b>
*Hartland Fuel Products, LLC	920 10 <sup>th</sup> Avenue N. Onalaska, WI 54650	Multiple Groups
*W. Douglass Distributing, LTD.	325 E. Forest Ave. Sherman, TX 75090	Multiple Groups
*Martin Eagle Oil Company, Inc.	2700 James St. Denton, TX 76205	Multiple Groups
*Mansfield Oil Company of Gainesville, Inc.	1025 Airport Parkway SW Gainesville, GA 30501	Multiple Groups
Truman Arnold Companies dba TAC Energy	100 Crescent Ct. Suite 1600 Dallas, TX 75201	Multiple Groups
Southern Counties Oil Co., a CA Limited Partnership dba SC Fuels	1800 W. Katella Ave. Suite 400 Orange, CA 92867	Multiple Groups



**BID INFORMATION (Continued)**

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount of Bid</u></b>
Lykins Oil Company	5163 Wolfpen-Pleasant Hill Rd. Milford, OH 45150	Multiple Groups
RKA Petroleum Companies, Inc.	28340 Wick Rd. Romulus, MI 48174	Multiple Groups
Petroleum Traders Corporation	7120 Pointe Inverness Way Fort Wayne, IN 46804	Multiple Groups

**OWNERS****Hartland Fuel Products, LLC**

Ken Simpson, President  
 Jeff Mackeben, Vice President  
 Bob Mathy, Secretary

**W. Douglass Distributing, LTD.**

Brad Douglass, President  
 Diane McCarty, Secretary

**Martin Eagle Oil Company, Inc.**

Stephen L. Martin, Vice President  
 Gary L. Martin, Vice President

**Mansfield Oil Company of Gainesville, Inc.**

Dough Haugh, President  
 J. Alexander, Vice President  
 John Byrd, Secretary

April 23, 2014

**WHEREAS**, on December 12, 2012, City Council authorized an increase to the master agreement for unleaded and diesel fuels based on Oil Pricing Information Service (previously referred to as Oil Pricing Index Service) rates by Resolution No. 12-3049; and,

**WHEREAS**, on May 1, 2013, City Council authorized a one-year master agreement for unleaded and diesel fuels based on Platts index rates by Resolution No. 13-0765;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That a master agreement for the purchase of unleaded and diesel fuels based on Platts index rates is authorized with Hartland Fuel Products, LLC (VS0000082851) in the amount of \$23,437,729.50, W. Douglass Distributing, LTD. (VS0000008853) in the amount of \$9,410,523.51, Martin Eagle Oil Company, Inc. (VS0000038576) in the amount of \$10,129,680.88 or \$27,551,736.13 (**Tie Bids - Group 3**) and Mansfield Oil Company of Gainesville, Inc. (VS0000041706) in the amount of \$2,891,002.95 or \$20,313,058.20 (**Tie Bids - Group 3**) for a term of three years, with two one-year renewal options, in an amount not to exceed \$63,290,992.09.

**Section 2.** That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for unleaded and diesel fuels based on Platts index rates. If a written contract is required or requested for any or all purchases of unleaded and diesel fuels based on Platts index rates under the master agreement instead of individual purchase orders, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.

**Section 3.** That the City Controller is authorized to disburse funds in an amount not to exceed \$63,290,992.09.

**Section 4.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

**KEY FOCUS AREA:** Efficient, Effective and Economical Government

**AGENDA DATE:** April 23, 2014

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Business Development & Procurement Services  
Equipment & Building Services

**CMO:** Jeanne Chipperfield, 670-7804  
Forest E. Turner, 670-3390

**MAPSCO:** N/A

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**SUBJECT**

Authorize a three-year master agreement, with two one-year renewal options, for the purchase of unleaded and diesel fuels based on Platts index rates – W. Douglass Distributing, LTD. in the amount of \$9,410,523, Martin Eagle Oil Company, Inc. in the amount of \$10,129,681 and Mansfield Oil Company of Gainesville, Inc. in the amount of \$2,891,003, lowest responsible bidders of nine and Truman Arnold Companies dba TAC Energy in the amount of \$40,909,090, local preference bidder - Total not to exceed \$63,340,297 - Financing: Current Funds (subject to annual appropriations)

**BACKGROUND**

This action does not encumber funds; the purpose of a master agreement is to establish firm pricing for goods, for a specific term, which are ordered on an as needed basis.

This master agreement will allow the City to purchase multiple types of unleaded and diesel fuels for the City's fleet including unleaded, Texas low-emission diesel, bio-diesel, super unleaded 93 octane and red dye diesel. All fuel under this agreement is priced utilizing a +/- adder to Platts' indices.

Platts' indices showing current fuel prices are generated and published for specific areas of the country on a daily basis. The pricing service is internationally recognized as an accurate and comprehensive index for establishing fuel prices.

The City's projected demand for the three-year agreement is approximately 19,246,500 gallons. Fuel is distributed to approximately 100 City sites including eight fuel islands, fire stations, sanitation locations and pump stations.

**BACKGROUND (Continued)**

This agreement will allow for the purchase of the following fuel types:

- Unleaded fuel used for cars, squad vehicles, pickup trucks
- Super unleaded fuel used for police motorcycles
- Diesel fuel used for fire equipment and some heavy duty vehicles
- Bio-diesel fuel used for sanitation fleet and other heavy duty vehicles
- Red Dye diesel used for off-road vehicles used at the landfill

On June 27, 2012, City Council authorized an ordinance amending Chapter 2 of the City Code to provide that a preference may be given to local businesses in awarding City contracts under certain circumstances. A business interested in being considered for local preference in a bid award shall complete, sign, and submit the local preference affidavit with their bid. Only a business meeting the local preference requirements may be considered. When using the local preference option, Council must determine that awarding the contract to a local business offers the most advantageous combination of contract price and additional economic development benefits for the City.

Truman Arnold Companies dba TAC Energy, the incumbent, with their principal place of business located in Dallas, TX, is being recommended for two groups based on the local preference ordinance. Truman Arnold Companies dba TAC Energy submitted the local preference affidavit with their bid confirming that the business meets all of the requirements for being granted a local preference. Truman Arnold Companies dba TAC Energy currently has 33 employees at their Dallas location and plans to hire one new employee and retain 2 employees to supply motor fuels, provide logistics, transportation and order processing in relation to this City agreement.

As part of the solicitation process and in an effort to increase competition, Business Development and Procurement Services (BDPS) used its procurement system to send out 582 email bid notifications to vendors registered under respective commodities. To further increase competition, BDPS uses historical solicitation information, the internet, and vendor contact information obtained from user departments to contact additional vendors by phone. Additionally, in an effort to secure more bids, notifications were sent by the BDPS' ResourceLINK Team (RLT) to 25 chambers of commerce, the DFW Minority Business Council and the Women's Business Council – Southwest, to ensure maximum vendor outreach.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On June 6, 2012, City Council was briefed on Local Preference/Contract Limits for Competitive Bidding, Claim Settlement Authority and Council Approval.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS) (Continued)**

On June 27, 2012, City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to: (1) provide that a preference may be given to local businesses in awarding City contracts under certain circumstances; (2) raise the thresholds on when City contracts must be competitively bid or approved by the City Council as authorized by state law; and (3) raise the thresholds on when settlements of claims against the City must be approved by the City Council by Resolution No. 12-1711.

On December 12, 2012, City Council authorized an increase to the master agreement for unleaded and diesel fuels based on Oil Pricing Information Service (previously referred to as Oil Pricing Index Service) rates by Resolution No. 12-3049.

On May 1, 2013, City Council authorized a one-year master agreement for unleaded and diesel fuels based on Platts index rates by Resolution No. 13-0765.

On April 7, 2014, this item was briefed to the Budget, Finance, and Audit Committee.

**FISCAL INFORMATION**

\$63,340,297.09 - Current Funds (subject to annual appropriations)

**M/WBE INFORMATION**

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582 M/WBE and Non-M/WBE vendors were contacted

The recommended awardees have fulfilled the requirements set forth in the Business Inclusion and Development (BID) Plan adopted by Council Resolution No. 08-2826 as amended.

**ETHNIC COMPOSITION****W. Douglass Distributing, LTD.**

White Male	72	White Female	33
Black Male	1	Black Female	2
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**ETHNIC COMPOSITION (Continued)**
Martin Eagle Oil Company, Inc.

White Male	14	White Female	17
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Mansfield Oil Company of Gainesville, Inc.

White Male	226	White Female	190
Black Male	23	Black Female	21
Hispanic Male	15	Hispanic Female	7
Other Male	8	Other Female	10

Truman Arnold Companies dba TAC Energy

White Male	263	White Female	117
Black Male	25	Black Female	24
Hispanic Male	9	Hispanic Female	9
Other Male	6	Other Female	4

**BID INFORMATION**

The following bids were received from solicitation number BD1402 and were opened on January 30, 2014. This master agreement will be awarded to the lowest responsive and responsible bidders by group. Information related to this solicitation is available upon request.

\*Denotes successful bidders

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount of Bid</u></b>
*W. Douglass Distributing LTD.	325 E. Forest Ave. Sherman, TX 75090	Multiple Groups
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*Truman Arnold Companies dba TAC Energy	100 Crescent Ct. Suite 1600 Dallas, TX 75201	Multiple Groups**

**BID INFORMATION (Continued)**

<b><u>Bidders</u></b>	<b><u>Address</u></b>	<b><u>Amount of Bid</u></b>
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RKA Petroleum Companies, Inc.	28340 Wick Rd. Romulus, MI 48174	Multiple Groups
Petroleum Traders Corporation	7120 Pointe Inverness Way Fort Wayne, IN 46804	Multiple Groups

\*\*Truman Arnold Companies dba TAC Energy is recommended for award on Groups 1 and 3 based on local preference. This award by local preference will result in an increase of \$49,305 in comparison to the lowest bidders.

**OWNERS****W. Douglass Distributing, LTD.**

Brad Douglass, President  
Diane McCarty, Secretary

**Martin Eagle Oil Company, Inc.**

Stephen L. Martin, Vice President  
Gary L. Martin, Vice President

**Mansfield Oil Company of Gainesville, Inc.**

Dough Haugh, President  
J. Alexander, Vice President  
John Byrd, Secretary

**Truman Arnold Companies dba TAC Energy**

Greg Arnold, President  
Fred Sloan, Vice President

## BUSINESS INCLUSION AND DEVELOPMENT PLAN SUMMARY

PROJECT: Authorize a three-year master agreement, with two one-year renewal options, for the purchase of unleaded and diesel fuels based on Platts index rates – W. Douglass Distributing, LTD. in the amount of \$9,410,523, Martin Eagle Oil Company, Inc. in the amount of \$10,129,681 and Mansfield Oil Company of Gainesville, Inc. in the amount of \$2,891,003, lowest responsible bidders of nine and Truman Arnold Companies dba TAC Energy in the amount of \$40,909,090, local preference bidder - Total not to exceed \$63,340,297 - Financing: Current Funds (subject to annual appropriations)

Truman Arnold Companies dba TAC Energy is a local, non-minority firm, has signed the "Business Inclusion & Development" documentation, and proposes to use the following subcontractors. W. Douglass Distributing, LTD., is a non-local, non-minority firm have signed the "Business Inclusion & Development" documentation, and propose to use their own workforces. Martin Eagle Oil Company, Inc. and Mansfield Oil Company of Gainesville, Inc., are a non-local, non-minority firms have signed the "Business Inclusion & Development" documentation, and proposes to use the following subcontractors.

PROJECT CATEGORY: Goods

### LOCAL/NON-LOCAL CONTRACT SUMMARY

	<u>Amount</u>	<u>Percent</u>
Total local contracts	\$40,645,059.98	64.17%
Total non-local contracts	\$22,695,237.11	35.83%
<b>TOTAL CONTRACT</b>	<b>\$63,340,297.09</b>	<b>100.00%</b>

### LOCAL/NON-LOCAL M/WBE PARTICIPATION

#### Local Contractors / Sub-Contractors

None

#### Non-Local Contractors / Sub-Contractors

<u>Non-local</u>	<u>Certification</u>	<u>Amount</u>	<u>Percent</u>
Ricochet Fuel Distributors, Inc.	WFWB59997Y0115	\$2,343,723.08	10.33%
Lucky Lady Oil	WFWB60332Y0215	\$264,029.78	1.16%
<b>Total Minority - Non-local</b>		<b>\$2,607,752.86</b>	<b>11.49%</b>

### TOTAL M/WBE CONTRACT PARTICIPATION

	<u>Local</u>	<u>Percent</u>	<u>Local &amp; Non-Local</u>	<u>Percent</u>
African American	\$0.00	0.00%	\$0.00	0.00%





Hispanic American	\$0.00	0.00%	\$0.00	0.00%
Asian American	\$0.00	0.00%	\$0.00	0.00%
Native American	\$0.00	0.00%	\$0.00	0.00%
WBE	\$0.00	0.00%	\$2,607,752.86	4.12%
	-----	-----	-----	-----
Total	\$0.00	0.00%	\$2,607,752.86	4.12%

April 23, 2014

**WHEREAS**, on June 27, 2012, City Council authorized an ordinance amending Chapter 2 of the Dallas City Code to: (1) provide that a preference may be given to local businesses in awarding City contracts under certain circumstances; (2) raise the thresholds on when City contracts must be competitively bid or approved by the City Council as authorized by state law; and (3) raise the thresholds on when settlements of claims against the City must be approved by the City Council by Resolution No. 12-1711; and,

**WHEREAS**, on December 12, 2012, City Council authorized an increase to the master agreement for unleaded and diesel fuels based on Oil Pricing Information Service (previously referred to as Oil Pricing Index Service) rates by Resolution No. 12-3049; and,

**WHEREAS**, on May 1, 2013, City Council authorized a one-year master agreement for unleaded and diesel fuels based on Platts index rates by Resolution No. 13-076;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That City Council determines that awarding a portion of this master agreement to Truman Arnold Companies dba TAC Energy (343033), a local business, offers the best combination of contract price and additional economic development benefits for the City created by the contract award, including employment of the residents of the City and/or increased tax revenue to the City.

**Section 2.** That a master agreement for the purchase of unleaded and diesel fuels based on Platts index rates is authorized with Truman Arnold Companies dba TAC Energy (343033) in the amount of \$40,909,089.75, W. Douglass Distributing, LTD. (VS0000008853) in the amount of \$9,410,523.51, Martin Eagle Oil Company, Inc. (VS0000038576) in the amount of \$10,129,680.88 and Mansfield Oil Company of Gainesville, Inc. (VS0000041706) in the amount of \$2,891,002.95 for a term of three years, with two one-year renewals, in an amount not to exceed \$63,340,297.09.

**Section 3.** That the Purchasing Agent is authorized, upon appropriate request and documented need by a user department, to issue a purchase order for unleaded and diesel fuels based on Platts index rates. If a written contract is required or requested for any or all purchases of unleaded and diesel fuels based on Platts index rates under the master agreement instead of individual purchase orders, the City Manager is authorized to execute the contract upon approval as to form by the City Attorney.



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**Section 4.** That the City Controller is authorized to disburse funds in an amount not to exceed \$63,340,297.09.

**Section 5.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.