



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: March 25, 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 NorthStar Energy Solutions, LLC, for substation construction services for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (CSP 8574 – awarded to NorthStar Energy Solutions, LLC, in the not-to-exceed amount of \$22,090,000.00).

STRATEGIC ALIGNMENT

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

INFORMATION/BACKGROUND

Denton Municipal Electric (DME) has three (3) substation projects, six (6) substation addition projects, and one (1) substation reconstruction project approved in its Capital Improvement Plan (CIP) within the next five (5) years, and are shown in the table below. In planning for the construction of multiple substations, DME has structured designs into standard units that can be used in most applications. Standardizing and unitizing the design also makes it possible to procure construction services for multiple stations in advance. Competitive Sealed Proposal (CSP) 8574 is structured in this standardized construction approach.

The contractor will provide several construction services which include installation of the ground grid, conduit, and concrete foundations below grade; installation, erection, and connection of steel, equipment, and aluminum bus above grade; and pulling cable for equipment control and protection. All of these services are arranged in standard units. Each standard unit has a cost that will include the total installation of the unit which may consist of several pieces of equipment. Not all CIP approved projects have been fully designed but this proposal allows for increases/decreases in unit standards and includes hourly costs for personnel and equipment to apply to miscellaneous items or small construction projects. CSP 8574 was prepared to solicit proposals for substation construction services to be awarded to a single contractor.

Request for Proposals was sent to 1,128 prospective suppliers, including 76 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Seven (7) proposals were received, references were checked, and proposals were evaluated based upon published criteria including schedule, experience, safety record, and price. Best and Final Offers (BAFO) were requested from the top three (3) firms. Based upon this evaluation, NorthStar Energy Solutions, LLC was ranked the highest and determined to be the best value for the City.

Location	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Underwood Substation	\$4,950,000				
SSVT Projects	30,000				
Denton West Brazos Tie-In		\$1,030,000			
Masch Branch Xfmr Add.		910,000			
Jim Christal Xfmr Add.			\$910,000		
RD Wells Xfmr Add.			910,000		
RD Wells Upgrade				\$630,000	
Southwest Substation				4,950,000	
Denton West Auto 345kV Interchange					\$4,900,000
Denton West Auto 345kV Switch					2,870,000
Yearly Total	\$4,980,000	\$1,940,000	\$1,820,000	\$5,580,000	\$7,770,000
Total Contract Estimate:					\$22,090,000

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On March 24, 2025, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award a contract with NorthStar Energy Solutions, LLC, for substation construction services for Denton Municipal Electric, in a not-to-exceed amount of \$22,090,000.

PRINCIPAL PLACE OF BUSINESS

NorthStar Energy Solutions, LLC
Grand Prairie, TX

ESTIMATED SCHEDULE OF PROJECT

Work will be authorized based on project schedules.

FISCAL INFORMATION

The costs for materials and services purchased under the proposed agreement will be funded from DME's Capital Improvement Projects program. The majority of work proposed will be in the transmission category, therefore, costs for the associated transmission projects will be recovered through the Public Utility Commission of Texas, Transmission Cost of Service Program (TCOS). Requisitions will be entered on an as-needed basis. The budgeted amount for this item is \$22,090,000.

EXHIBITS

- Exhibit 1: Agenda Information Sheet
- Exhibit 2: Pricing Evaluation
- Exhibit 3: Presentation
- Exhibit 4: Ordinance and Contract

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

For information concerning this acquisition, contact: Mark Zimmerer 940-349-7169.

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