



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: January 13, 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 Integrated Power Co., for transmission line construction and maintenance for Capital Improvement Plan projects for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (CSP 8776 – awarded to Integrated Power Co., in the not-to-exceed amount of \$67,990,000.00).

STRATEGIC ALIGNMENT

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

INFORMATION/BACKGROUND

The Denton Municipal Electric (DME) Capital Improvement Plan (CIP) contains twenty 138kV and 345kV transmission line projects to be constructed within the next five (5) years, which will require the services of an overhead transmission line contractor. The identified projects have a range of scopes, including building new transmission lines, intercepting and extending transmission lines into new and existing substations, reconstructing existing transmission lines, and rerouting existing transmission lines for future Texas Department of Transportation (TxDOT) Interstate 35 and Loop 288 projects. A Competitive Sealed Proposal (CSP) was assembled with unit costs for all possible materials and services for the work required for all the planned CIP projects. Construction services will primarily be for the assembly and placement of steel transmission poles, installing pole foundations, stringing of conductors, and removing existing facilities where required. Transmission line construction will always have a certain amount of uniqueness, and the exact requirements for all the projects will not be known until the actual designs are complete.

In addition, a yearly retainer has been added for emergency services to repair transmission line failures. Transmission lines are vulnerable to damage from unpredictable natural storm events, such as tornadoes, electrical storms, and icy winter weather. DME does not have the manpower or equipment to handle catastrophic events that may affect the transmission system. The CSP also includes provisions for hourly rates. This provides DME the flexibility to address unforeseen construction issues as they arise, including emergency maintenance and restoration of any damaged transmission facilities. The list below includes, but is not limited to, the expected future projects. This contract will also cover any future projects as needed.

	Project	Estimated Construction Cost
Year 1	Underwood Substation Tie-in	\$350,000.00
	UW Road - DW to FW TML	350,000.00
	UW Road - DW to UW TML	350,000.00
	Emergency Retainer	198,000.00
	Year 1 Total	\$1,248,000.00
Year 2	Hickory to RD Wells TM Line	\$2,300,000.00
	West Loop 288 - DW to FW TML	1,800,000.00
	West Loop 288 - MB to DN TML	1,900,000.00
	West Loop 288 - RDW to DW TML	1,800,000.00
	Emergency Retainer	198,000.00
	Year 2 Total	\$7,998,000.00
Year 3	East Loop 288 - AR to DN TML	\$2,100,000.00
	East Loop 288 - CC to KR TML	1,200,000.00
	East Loop 288 - KR to DN TML	3,600,000.00
	345kV Line Modification for New Switch	1,300,000.00
	345kV Line Modification for INT #2	1,300,000.00
	138kV TML - INT #2 to MB	8,900,000.00
	Emergency Retainer	198,000.00
Year 3 Total		\$18,598,000.00
Year 4	Cooper Creek to Brinker TML	\$1,200,000.00
	Woodrow to Brinker TML	850,000.00
	Woodrow to Locust TML	4,300,000.00
	345kV TML - Switch to INT #1	26,300,000.00
	138kV TML - INT #1 to AR	3,500,000.00
	Emergency Retainer	198,000.00
Year 4 Total		\$36,348,000.00
Year 5	Southwest Substation Tie-in	\$500,000.00
	Spencer Int to Pockrus TML	3,100,000.00
	Emergency Retainer	198,000.00
	Year 5 Total	\$3,798,000.00
Contract Estimate Total		\$67,990,000.00

Competitive Sealed Proposals were sent to 993 prospective suppliers, including 36 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Three (3) proposals were received, references were checked, and proposals were evaluated based upon published criteria, including price, safety, schedule, and quality and reputation. Best and Final Offers (BAFO) were requested from the top firm. Based upon this evaluation, Integrated Power Co. was ranked the highest and determined to be the best value for the City.

NIGP Code Used for Solicitation:	285, 287, 553, 578, 691
Notifications sent for Solicitation sent in IonWave:	993
Number of Suppliers that viewed Solicitation in IonWave:	17
HUB-Historically Underutilized Business Invitations sent out:	103
SBE-Small Business Enterprise Invitations sent out:	390
Responses from Solicitation:	3

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 15, 2025, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Award a contract with Integrated Power Co., for transmission line construction and maintenance for Capital Improvement Plan projects for Denton Municipal Electric, in a not-to-exceed amount of \$67,990,000.

PRINCIPAL PLACE OF BUSINESS

Integrated Power Co.
North Platte, NE

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 out of amounts budgeted for specific CIP projects. The majority of the work proposed will be in the transmission category. Therefore, these costs for transmission projects will ultimately be recovered through the Public Utility Commission of Texas, Transmission Cost of Service Program (TCOS). The budgeted amount of this item is \$67,990,000. 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: Pricing Evaluation
Exhibit 3: Presentation
Exhibit 3: 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: Leah Bush at 940-349-8333.