



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Cassey Ogden
DATE: November 19, 2024

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive bids under IFB 8546 for Power Transformer Disposal (Scrap); and providing an effective date (IFB 8546).

INFORMATION/BACKGROUND

The City of Denton issued an invitation for bid (IFB) for the removal and scraping or repurposing of power transformers. The power transformers included five (5) used power transformers and two (2) autotransformers located at six (6) substations in and around Denton, Texas. A detailed technical specification and pricing sheet was provided for solicitation.

The IFB was issued on April 12, 2024 and six (6) bids were received. After evaluating the bids, it was recommended to reject all bids due to an alternate proposal from Core Scientific, Inc. After evaluating Core Scientific Inc's proposal for five (5) of the seven (7) transformers, the economic benefit was determined to be in the best public interest to the City. Core Scientific Inc's proposal was \$1.05 million compared to \$294,714 submitted in the IFB. As such, staff plans to bring the sale of these transformers to Core Scientific Inc through a separate bill of sale agenda item in December 2024. DME plans to re-solicit the two (2) remaining transformers at a later date.

This decision aligns with the Local Government Code 252.043, which permits the City Council to reject all bids if necessary.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On November 18, 2024, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Staff recommends rejection of all bids under IFB 8546.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Ordinance

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

For information concerning this acquisition, contact: Chris Lutrick, 940-349-7152.

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