



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Cassey Ogden
DATE: November 18, 2024

SUBJECT

Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of Change Order No. 7 to the Design-Build Agreement between the City of Denton and Beta Engineering, LLC, for the design and construction of the Hickory Gas Insulated Substation for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (RFQ 7670 – Change Order No. 7, in the not-to-exceed amount of \$1,087,043.85, for a total contract award aggregated to \$43,389,120.11).

STRATEGIC ALIGNMENT

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

INFORMATION/BACKGROUND

The work to be provided under this change order to contract 7670 includes riser pole termination delay charges, exploratory underground work to verify the location of existing utilities, installation of current transformers on riser poles, removal of 15kV feeders, and installation of service to existing convenience store/gas station.

- **Riser Pole Termination Delay:** Work to be performed by Beta Engineering was delayed due to improperly manufactured and installed riser poles owned by Denton Municipal Electric. Specifically, the termination of conductors on the riser poles was delayed due to pole fabrication errors and improperly installed fasteners. These poles were purchased and installed under separate City contracts. Work production days were lost by Beta Engineering trying to coordinate remedies from all entities involved. The cost includes 19 days of lost labor and approximately 440 hours of idle equipment costs. In accordance with contract 7670, Beta Engineering is due to recover these delay costs through a change order. DME is working with Risk to recover these costs from the pole manufacturer and pole installer.
- **Exploratory Underground Work and Repair:** The scope of work for the Hickory GIS Substation project includes relocating overhead distribution lines to underground. This change order covers exploratory costs to cut Bonnie Brae and Hickory Street and the use of hydro excavation to verify the depths of underground utilities. The cost includes time and material for the use of hydro excavation and the demolition of asphalt and the restoration of the initial exploratory bore path.

- CT Installation on Riser Poles: Current transformers (CT) are required on each of the 3 riser poles. This installation was not included Beta Engineering’s scope of work. The cost for this installation includes the labor and equipment to install the CTs and material, labor, and equipment to install the associated conduit on the riser pole.
- Removal of 15kV Underground Feeders: Although relocating existing overhead distribution lines to underground was in the scope of work, the removal of the underground distribution lines fed from the existing substation was not in Beta Engineering’s scope of work. The cost includes the removal of 6 underground 15kV feeders extending out of the existing demoed substation, and associated asphalt repair is included in the cost of this change order.
- Convenience Store Service: Installing service to three-phase customers was not included in Beta Engineering’s scope of work. The only customer that uses three-phase service is a convenience store located at Bonnie Brae and Oak Street. Cost includes labor to install new poles and transfer connections.

The costs of Change Order #7 are detailed below:

Project Description	Contract Estimate
Riser Pole Termination Delay	\$617,317.87
Exploratory Underground Work and Repair	218,979.67
CT Installation on Riser Poles	166,259.56
Removal of 15kV Underground Feeders	81,036.13
Convenience Store Service	3,450.62
Total	\$1,087,043.85

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 14, 2021, City Council approved a contract with Beta Engineering, LLC, in the not-to-exceed amount of \$40,469,000 (Ordinance 21-2701).

On August 16, 2022, City Council approved Change Order #1 with Beta Engineering, LLC, in the not-to-exceed amount of \$811,000, for a total contract amount of \$41,280,000 (Ordinance 22-1540).

On May 12, 2023, Purchasing approved Change Order #2 with Beta Engineering, LLC, in the not-to-exceed amount of \$37,000, for a total contract amount of \$41,317,000.

On September 14, 2023, Purchasing approved Change Order #3 with Beta Engineering, LLC, to reduce the contract in the amount of \$-1,325.61, for a total contract amount of \$41,315,674.39.

On March 7, 2024, Purchasing approved Change Order #4 with Beta Engineering, LLC, to reduce the contract in the amount of -\$13,102, for a total contract amount of \$41,302,572.39.

On July 16, 2024, City Council approved Change Order #5 with Beta Engineering, LLC, in the not-to-exceed amount of \$248,569.09, for a total contract amount of \$41,551,141.48.

On October 22, 2024, City Council approved Change Order #6 with Beta Engineering, LLC, in the not-to-exceed amount of \$750,934.78, for a total contract amount of \$42,302,076.26.

RECOMMENDATION

Award Change Order No. 7 with Beta Engineering, LLC, for the design and construction of the Hickory Gas Insulated Substation for Denton Municipal Electric, in a not-to-exceed amount of \$1,087,043.85, for a total amended contract price of \$43,389,120.11.

PRINCIPAL PLACE OF BUSINESS

Beta Engineering, LLC
Pineville, LA

ESTIMATED SCHEDULE OF PROJECT

Design and construction will begin (or continue) immediately upon approval by the City Council.

FISCAL INFORMATION

This contract will be funded using DME's Capital Improvement Plan budget account 603234500. The third-year Purchase Order will include Change Order 7 amount of \$1,087,043.85. The total amended amount of this contract is \$43,389,120.11.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance, Contract, Ordinances, and Change Orders 1-6
Exhibit 3: Ordinance and Change Order 7

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.