

City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement

ACM: Christine Taylor

DATE: July 15, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, rejecting any and all competitive proposals under RFP 8767 for 345kV Autotransformers for Denton Municipal Electric; and providing an effective date (RFP 8767). <u>The Public Utilities Board recommends</u> approval (5 - 0).

INFORMATION/BACKGROUND

Denton Municipal Electric (DME) solicited bids for the manufacture, testing, and delivery of up to five (5) 700MVA and 800MVA, 345kV/138kV autotransformers for use in approved projects incorporated with DME's Capital Improvement Plan (CIP).

DME received proposals from four (4) companies representing manufacturers of the autotransformers described in the technical specification. Due to the high costs, long lead times, and technically complex assembly of this equipment, the proposals were evaluated with extreme care. All proposals lacked understanding of what was technically required, or they were incomplete in descriptions of the product being proposed, and the cost was much higher than anticipated. DME is recommending the rejection of all proposals.

The autotransformers are a critical piece of equipment in the DME system. Accepting any of the proposals submitted, as a part of this RFP, could bring substantial risk to DME's infrastructure and customer base. Failure of an autotransformer could cause overloading and stress on transmission lines and equipment, which could impact system reliability. DME plans to resolicit this item.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On June 23, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Staff recommends rejection of all proposals for RFP 8767 345kV Autotransformers.

EXHIBITS

Exhibit 1: Agenda Information Sheet Exhibit 2: Ordinance

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

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