



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Cassey Ogden  
**DATE:** May 2, 2023

### **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 KBS Electrical Distributors, Inc., for the purchase of Electric Utility Substation Switches for Denton Municipal Electric; providing for the expenditure of funds therefor; and providing an effective date (IFB 8178 – awarded to KBS Electrical Distributors, Inc., for three (3) years, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$2,693,820.00). [The Public Utilities Board recommends approval \(7 - 0\).](#)

### **STRATEGIC ALIGNMENT**

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

### **INFORMATION/BACKGROUND**

Denton Municipal Electric (DME) has planned substation projects in its approved five-year Capital Improvement Plan (CIP) that require the purchase of substation switches and accessories including interrupters, motor operators, and auxiliary switches. Projects include the new Underwood Substation to accommodate the planned Hunter Ranch and Cole Ranch developments. Other projects include upgrades to the existing Bonnie Brae and RD Wells substations to increase capacity and reliability and a new proposed substation in the southwestern service area. DME solicited an Invitation for Bid (IFB) to provide 25kV, 138kV, and 345kV switches and associated operators and accessories.

Substation switches are installed to allow for the isolation of transmission lines, substation buses, and equipment for repairs and maintenance. Switches under this solicitation are air-insulated, three-phase, and gang operated. Sulfur Hexafluoride (SF<sub>6</sub>) switch interrupters extinguish arcs when opening energized switches that cannot be de-energized before operation. Motor operators for controlling switches remotely will be provided for operating switches with interrupters. Auxiliary switches are also included in this solicitation which serves to indicate the switch's position for the Supervisory Control and Data Acquisition (SCADA) system.

The technical specifications indicated that only Southern States Switches and accessories will be accepted. DME's system includes 400+ switches with 99% manufactured by Southern States. Maintaining the same manufacturer allows DME to make additions and/or replace existing switches without altering or replacing steel structures and operating hardware. In addition, planned substation designs are based on the installation requirements of Southern States.

Invitation for Bids was sent to 318 prospective suppliers of this item, including ten (10) Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download, and advertised in the local newspaper. Five (5) bids were received, with four (4) meeting specifications. The lowest bid was received by KBS Electrical Distributors, Inc.

NIGP Code Used for Solicitation:	285 - Electrical Equipment and Supplies (Except Cable and Wire)
Notifications sent for Solicitation sent in IonWave:	318
Number of Suppliers that viewed Solicitation in IonWave:	12
HUB-Historically Underutilized Business Invitations sent out:	32
SBE-Small Business Enterprise Invitations sent out:	134
Responses from Solicitation:	5
Responses Meeting Specifications:	4

### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On April 24, 2023, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

### **RECOMMENDATION**

Award a contract with KBS Electrical Distributors, Inc., for the purchase of Electric Utility Substation Switches for Denton Municipal Electric, in a three (3) year, with the option for two (2) additional one (1) year extensions, in the total five year not-to-exceed amount of \$2,693,820.

### **PRINCIPAL PLACE OF BUSINESS**

KBS Electrical Distributors, Inc.  
Bryan, TX

### **ESTIMATED SCHEDULE OF PROJECT**

This is an initial three (3) year contract with options to extend the contract for two (2) additional one (1) year periods, with all terms and conditions remaining the same. Orders will be placed as project schedules require and will be delivered within 28-30 weeks.

### **FISCAL INFORMATION**

The costs for material purchased under the proposed agreement will be funded out of amounts budgeted for specific projects. The work proposed will be in the transmission category. These costs for transmission projects will ultimately be recovered through the Public Utility Commission Transmission Cost of Service Program (TCOS).

### **EXHIBITS**

Exhibit 1: Agenda Information Sheet  
Exhibit 2: Bid Tabulation  
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: Marcella Lunn at 940-349-8333.