



# City of Denton

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

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**ACM:** Christine Taylor  
**DATE:** February 9, 2026

### **SUBJECT**

Consider recommending adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the City Manager to execute a contract with AMS Group LLC, for power transformer disposal (scrap) services for Denton Municipal Electric; providing for the sale of obsolete assets; and providing an effective date (IFB 8971 – awarded to AMS Group LLC, in the revenue amount of \$401,777.00).

### **STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Promote Sustainability and the Environment.

### **INFORMATION/BACKGROUND**

Denton Municipal Electric (DME) maintains and operates generation, transmission, and distribution facilities in and around the greater Denton area. The system provides electric service to approximately 63,000 customers. Over the last 12 years, DME has upgraded or replaced the old 69kV transmission system components (substations and transmission lines) with 138kV facilities. The system upgrades also included the reconstruction of older 138kV substations.

A key component of a distribution substation is the power transformers. Power transformers step down high voltage (138kV or 69kV) to distribution voltage (13.2kV). The useful life of the units is around 30 years. Therefore, it was decided to retire the older units and utilize new transformers in the new stations. The transmission voltage upgrade made the 69kV units obsolete. In total, DME has nine (9) power transformers that have no system use.

Before the transmission system upgrades, DME utilized a dual-voltage system. This configuration required the use of Auto Transformers. Auto transformers were used on the DME system to convert 138kV to 69kV. Again, the system upgrade made the two auto transformers obsolete.

As stated above, the power and auto transformers are so massive that they were retired in place. The units contain thousands of gallons of mineral oil and weigh in excess of 50 tons for power transformers and 100 tons for autos. Therefore, DME issued an IFB for the disposal (sale) of the units. The scope of work requires the vendor to provide all equipment and labor to completely remove the units from sites in a manner that complies with all city and regulatory requirements.

Invitation for Bids was sent to 58 prospective suppliers of this item. In addition, specifications were placed on the Procurement website for prospective suppliers to download, and advertised in the local newspaper. Seven (7) bids meeting specifications were received. The highest bid was received by AMS Group LLC.

NIGP Code Used for Solicitation:	285, 912, 913, 926, and 941
Notifications sent for Solicitation sent in IonWave:	1,910
Number of Suppliers that viewed Solicitation in IonWave:	25
HUB-Historically Underutilized Business Invitations sent out:	224
SBE-Small Business Enterprise Invitations sent out:	642
Responses from Solicitation:	7

### **RECOMMENDATION**

Award a contract with AMS Group LLC, for power transformer disposal (scrap) services for Denton Municipal Electric, in a not-to-exceed amount of \$401,777.

### **PRINCIPAL PLACE OF BUSINESS**

AMS Group LLC  
Houston, TX

### **ESTIMATED SCHEDULE OF PROJECT**

This project will be started upon approval, with a completion date by June 2026.

### **FISCAL INFORMATION**

The proceeds from the contract will be returned to the Electric Fund.

### **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: Chris Lutrick, 940-349-7152.

Legal point of contact: Leah Bush at 940-349-8333.