



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: November 18, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, authorizing the approval of Change Order No. 10 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. 10 in the not-to-exceed amount of \$1,008,314.26, for a total contract award aggregated to \$44,446,058.31). [The Public Utilities Board recommends approval \(5 - 0\).](#)

INFORMATION/BACKGROUND

This change order is for the settlement of charges with Beta Engineering for items already approved in the contract, for the purchase of spare material for DME's future use, and for scope additions to the contract. This work has already been completed.

- **Oak Street Underground Obstruction:** Work performed by Beta Engineering to install underground duct banks in Oak Street was halted due to unforeseen underground obstructions. Beta was directed by DME to fill the hole with flowable fill, road base, and cover with road plates to allow Oak Street lanes to be reopened to traffic while the design was changed and to ensure the safety of field crews. If this additional work was not performed, then the lanes would remain closed for several months until the design was changed. Cost includes hydrovac, fill material, road plates, barricades, labor, and equipment to make repairs to the road after the discovery of an obstruction. Per the contract, Beta Engineering is allowed a change order to recover unforeseen costs associated with underground obstructions.
- **Bonnie Brae Road Cave-in:** Due to traffic control plan approval delays, DME gave direction to open closed lanes of Bonnie Brae after repeated complaints from the hospital, various doctors' offices, and DCTA. Also, as a result of delayed traffic control plan approval, the trench along Bonnie Brae caved in and caused additional work to clean out, re-excavate, widen, and install larger and heavier trench boxes. Cost includes the larger trench boxes, additional concrete, additional asphalt, additional hydrovac, labor, and equipment to complete the work. Per the contract, Beta Engineering is allowed to recover costs associated with delays caused by DME.
- **HK221, HK223, and HK232 Duct Bank Underground Obstruction:** Work performed by Beta Engineering to install underground duct banks was halted due to unforeseen underground obstructions. Beta was directed by DME to fill the hole with flowable fill, road base, and cover with road plates to allow Bonnie Brae lanes to be reopened to traffic while the design was changed and

to ensure the safety of field crews. If this additional work was not performed, then the lanes would remain closed for several months until the design was changed. Cost includes hydrovac, fill material, road plates, barricades, labor, and equipment to make repairs to road after discovery of obstruction. Per the contract, Beta Engineering is allowed a change order to recover unforeseen costs associated with underground obstructions.

- HK234 and HK244 Duct Bank Underground Obstruction: Work performed by Beta Engineering to install underground duct banks was halted due to unforeseen underground obstructions. Beta was directed by DME to fill the hole with flowable fill, road base, and cover with road plates to allow Bonnie Brae lanes to be reopened to traffic while the design was changed and to ensure the safety of field crews. If this additional work was not performed, then the lanes would remain closed for several months until the design was changed. Cost includes hydrovac, fill material, road plates, barricades, labor, and equipment to make repairs to road after discovery of obstruction. Per the contract, Beta Engineering is allowed a change order to recover unforeseen costs associated with underground obstructions.
- Southwire Remobilization: Southwire was contracted by Beta Engineering to install, terminate, and test the underground transmission conductor. Defects in DME owned riser poles were discovered after Southwire technicians and construction crews assembled and fastened the conductor to the DME riser poles. Southwire construction crews were delayed by DME's riser poles and required to return to the site later to move and protect conductor so the pole could be repaired. Per the contract, Beta Engineering is allowed to recover costs associated with delays caused by DME. City Risk is working to recover this cost from the pole manufacturer and the installation contractor.
- Spare Transmission Conductor: DME desires to purchase 2000' of 5000Kcmil underground 138kV transmission conductor from Beta Engineering to be stored on site for emergency incidents. Transmission cable of this size has a 18 month to 2 year lead time. Keeping this cable on hand is important for ensuring DME can restore the underground transmission lines for the Hickory GIS Substation in a timely manner and maintain reliable service for our customers.
- Pegoda Design: In change order #8, Beta Engineering was approved to fill in two sections of the pegoda in the northwest corner of the architectural screening wall. However, the design for this effort was not included. Cost for this item is only for the design work.
- Transmission Line Shroud: DME added scope to the contract to install protective shrouds around three transmission riser poles. These shrouds protect the transmission cable on the riser poles from animals, weather, and traffic accidents.
- 4" Conduit Addition: DME added a 3-phase service for a convenience store to Beta Engineering's scope. Cost includes material, labor and equipment to install additional 4" conduit. Per the contract, Beta Engineering is allowed to recover the costs if Denton Municipal Electric (DME) adds scope to the contract.
- Sidewalk Installation: DME added additional sidewalk along Hickory Street to the scope of the contract. This change also includes a credit for approximately 68 linear feet of the sidewalk along Oak Street.

Project Description	Contract Estimate
Oak Street Underground Obstruction	\$103,827.39
Bonnie Brae Road Cave-in	84,193.40
HK221, HK223, and HK232 Duct Bank Underground Obstruction	168,261.64
HK234 and HK244 Duct Bank Underground Obstruction	150,796.32
Southwire Remobilization	86,605.75
Spare Transmission Conductor	300,000.00
Pegoda Design	28,820.00
Transmission Line Shroud	65,657.53
4" Conduit Installation	6,916.79
Sidewalk Installation	\$13,235.44
Total	\$1,008,314.26

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 No. 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 No. 2 with Beta Engineering, LLC, in the not-to-exceed amount of \$37,000, for a total contract amount of \$41,317,000.

On June 6, 2023, Purchasing approved Change Order No. 3 with Beta Engineering, LLC, in the contract credit amount of -\$1,325.61 for Beta Engineering's purchase of material owned by the City of Denton.

On February 27, 2024, Purchasing approved Change Order No. 4 with Beta Engineering, LLC, in the contract credit amount of -\$13,102 for Beta Engineering's purchase of material owned by the City of Denton.

On July 16, 2024, City Council approved Change Order No. 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 (Ordinance 24-1344).

On October 22, 2024, City Council approved Change Order No. 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 (Ordinance 24-2080).

On November 19, 2024, City Council approved Change Order No. 7 with Beta Engineering, LLC, in the not-to-exceed amount of \$1,087,043.85, for a total contract amount of \$43,389,120.11 (Ordinance 24-2228).

On May 28, 2025, Purchasing approved Change Order No. 8 with Beta Engineering, LLC, in the not-to-exceed amount of \$46,666.79, for a total contract amount of \$43,435,786.90.

On August 22, 2025, Purchasing approved Change Order No. 9 with Beta Engineering, LLC, in the not-to-exceed amount of \$1,957.15, for a total contract amount of \$43,437,744.05.

On October 27, 2025, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

RECOMMENDATION

Award Change Order No. 10 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 \$1,008,314.26, for a total amended contract price of \$44,446,058.31.

PRINCIPAL PLACE OF BUSINESS

Beta Engineering, LLC
Pineville, LA

ESTIMATED SCHEDULE OF PROJECT

Construction is currently underway, with an estimated completion date of October 31, 2025.

FISCAL INFORMATION

These services will be funded from DME's Capital Improvement Program account 603234500. Purchase Order #207680 will be revised to include the Change Order 10 amount of \$1,008,314.26. The total amended amount of this contract is \$44,446,058.31.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Original Ordinance, Contract, Ordinances, and Change Orders 1-9
Exhibit 3: Ordinance and Change Order 10

Respectfully submitted:
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Purchasing Manager

For information concerning this acquisition, contact: Mark Zimmerer, 940-349-7169.

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