



# City of Denton

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

---

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Procurement  
**DCM:** David Gaines  
**DATE:** August 16, 2022

### **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 Heritage-Crystal Clean, LLC, for the removal and disposal of oil, filters, absorbents, and coolant for the Denton Energy Center; providing for the expenditure of funds therefor; and providing an effective date (IFB 7639 – awarded to Heritage-Crystal Clean, LLC, 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 \$76,533.30). [The Public Utilities Board recommends approval \(5 - 0\).](#)

### **INFORMATION/BACKGROUND**

The Denton Energy Center (DEC) reached commercial operation in June 2018 providing power at times of market instability and high price demand and serving as a critical component of the City of Denton's Denton Renewable Resource Plan.

As the DEC equipment operates, critical components and auxiliary equipment utilize coolant and oil to maintain critical operating temperature parameters and lubrication to minimize wear and optimize the life span of the components.

The equipment coolant and oil require replenishment or replacement based on hours of service, calendar-based intervals, or based on preventative maintenance sample evaluations for contamination resulting in change-outs as needed. In addition to the replacement, inspections and maintenance activities also generate waste of oil, coolant, filters, and absorbents from inspections, minor leaks, and routine maintenance activities all requiring disposal.

Thus far, we have had minimal waste generated at the DEC and it has been processed through individual contracts. As the equipment hours increase and as maintenance intervals increase, we are seeking a contract for the waste materials.

Currently, we are projecting an expenditure of \$76,533.30 over the contract period total based on operating hour forecasts/ maintenance intervals. However, with the current material cost increases, we have a 10% contingency included in the total of \$6,958.00. The costs for material purchased under the proposed agreement will be funded out of the DEC operating budget and ordered as needed, based on operations.

<b>Annual Cost Estimate (2,600 Operating Hours)</b>					
<b>Year</b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>	<b>3<sup>rd</sup></b>	<b>4<sup>th</sup></b>	<b>5<sup>th</sup></b>
	\$13,915.06	\$13,915.06	\$13,915.06	\$13,915.06	\$13,915.06
Total:					\$69,575.30
10% Contingency:					\$6,958.00
Grand Total:					<b>\$76,533.30</b>

Invitation for Bids was sent to 476 prospective suppliers, including 20 Denton firms. In addition, specifications were placed on the Procurement website for prospective suppliers to download and advertised in the local newspaper. Two (2) bids meeting specifications were received. The lowest bid was received by Heritage-Crystal Clean, LLC.

NIGP Code Used for Solicitation:	926, 929, 936, and 941
Notifications sent for Solicitation sent in IonWave:	476
Number of Suppliers that viewed Solicitation in IonWave:	25
HUB-Historically Underutilized Business Invitations sent out:	44
SBE-Small Business Enterprise Invitations sent out:	168
Responses from Solicitation:	2

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

On August 8, 2022, the Public Utilities Board (PUB) recommended this item to the City Council for consideration.

### **RECOMMENDATION**

Award a contract with Heritage-Crystal Clean, LLC, for the removal and disposal of oil, filters, absorbents, and coolant for the Denton Energy Center, in a three (3) year, with the option for two (2) additional one (1) year extensions, in the total five (5) year not-to-exceed amount of \$76,533.30.

### **PRINCIPAL PLACE OF BUSINESS**

Heritage-Crystal Clean, LLC  
Elgin, IL

### **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.

### **FISCAL INFORMATION**

These items will be funded from the annual Denton Energy Center Operating budget. Requisitions will be entered on an as-needed basis. The budgeted amount for this item is \$76,533.30. The City will only pay for services rendered and is not obligated to pay the full contract amount unless needed.

## **EXHIBITS**

Exhibit 1: Agenda Information Sheet  
Exhibit 2: Bid Tabulation  
Exhibit 3: LLC Members  
Exhibit 4: Ordinance and Contract

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

For information concerning this acquisition, contact: Jason Brown, 940-349-7140.

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