



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
CFO: Cassey Ogden
DATE: November 15, 2022

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager for the emergency repairs to the DEC starting air compressor that sustained catastrophic failure, and for equipment rental while awaiting replacement; and providing an effective date (File 8086 – awarded to MS AIR, Inc., and Texas First Rentals, Inc., in the not-to-exceed amount of \$225,384.48).

INFORMATION/BACKGROUND

The Denton Energy Center (DEC) reached commercial operation in June 2018. The DEC provides power at times when renewable energy sources are not readily available and is a critical component of the City of Denton's Denton Renewable Resource Plan.

The DEC utilizes two starting air compressors to initiate the start sequence by injecting air into the engine until it reaches 19-23 RPM. Once the RPM permissive is met, ignition commences ultimately rotating the generators to produce the electricity. Each starting air compressor supplies ~450 PSI of compressed air to a common system feeding each unit during startup.

On the evening of July 6, 2022, compressor "A" experienced a catastrophic event when a piston seized resulting in the destruction of the entire compressor unit.

Staff quickly responded to the situation. Were it not for staff having a portable spare compressor on site for recently completed ERCOT-mandated testing, the loss of the compressor would have rendered the facility vulnerable to unit derates or forced outage due to insufficient pressure and volumetric supply. That portable compressor was leased through Texas First and, due to the catastrophic nature of the compressor failure, was kept on site and the lease was extended to enable the unit starting for a total cost of \$24,000.

The original equipment manufacturer (OEM) was brought in the following day as well as MS Air, the only authorized sales and service representative, to evaluate the damage and to begin preparing repair quotes. The OEM expressed that they were unable to perform the expedited repairs and recommended MS Air perform the repairs.

MS Air removed the compressor package taking it to their local shop and completed a full evaluation that rendered the unit unrepairable providing a quotation of \$159,758.48 for parts and labor and long-term rental of \$41,626.00 for the 12–15-week lead time.

PRIOR ACTION/VIEW (COUNCIL, BOARDS, COMMISSIONS)

On November 14, 2022, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Approve the emergency repairs for the appropriate rental, replacement, and labor associated with the failed Denton Energy Center starting air compressor in the estimated expenditure amount of \$225,384.48.

PRINCIPAL PLACE OF BUSINESS

MS Air, Inc.
Fort Worth, TX

Texas First Rentals, Inc.
Irving, TX

ESTIMATED SCHEDULE OF PROJECT

This is a one-time purchase with an anticipated installation date of mid-November 2022.

FISCAL INFORMATION

These items will be funded from the annual Denton Energy Center Operating budget. Requisitions have been entered as needed and components purchased as Purchase orders were issued.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Declaration of an Emergency
Exhibit 3: Ordinance

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.