City of Denton

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Legislation Text

File #: PUB16-160, **Version:** 1

Agenda Information Sheet

DEPARTMENT: **Denton Municipal Electric**

CM/ ACM: **Howard Martin**

Date: **July 25, 2016**

SUBJECT

Consider recommending approval of a three year unit price purchase agreement with Crown Technical Systems for purchase of prefabricated control buildings for substations in an amount not to exceed $3,530,000. (RFP #6115)

BACKGROUND

Denton Municipal Electric (DME) has substation projects approved in its five year Capital Improvement Plan (CIP) that will require purchase of prefabricated control buildings. DME has developed three substation control building plans that can be utilized for all CIP projects where such facilities are required. Control buildings are essential components for substations because they provide physical security and a climate controlled environment for critical power system protection and control hardware. A standardized layout for the buildings has been developed that gives the advantages of reducing engineering, providing a predictable space requirement within substations, and allowing an agreement to be structured to purchase multiple buildings over time at a lower cost. RFP #6115 was prepared to obtain unit pricing for three sizes of control buildings. A pricing method was incorporated that will allow increases or decreases in the lengths of the buildings should adjustments be necessary. Substation control buildings are used to house relay and control panels, AC and DC systems, meters, the SCADA system, and communications equipment that are necessary to control and protect substations and power lines. Placing this equipment in a climate controlled environment provides the highest probability of reliable performance and provides the best arrangement for the large amount of integration that is necessary.

Three sizes of buildings are required to accommodate current and future substation designs:

15’-4” wide by 56’ long
15’-4” wide by 42’ long
30’ wide by 46’ long (doublewide)

Building size is dependent on the size of the substation. Larger substations require a larger number of relay and control panels. Flexibility was built into the RFP so that prices were obtained to adjust the lengths of the buildings should design requirements dictate. Using projects that are planned for the CIP at this point, it is anticipated that up to five of the larger length buildings, four of the smaller buildings, and two of the doublewide buildings will be required. This could vary if project needs change.

All buildings will be configured with the same basic equipment which will include AC and DC circuit breaker panels, redundant heating and air conditioning, interior lighting and outlets, emergency interior and exterior

egress lighting, and 125V battery systems (batteries and battery chargers).

The buildings are prefabricated at the manufacturer's facility and shipped as completed functional units to the sites. The prices quoted in this RFP include all estimated shipping costs to Denton, Texas. Offloading will be provided by DME. The buildings will be placed on concrete piers that will be constructed as part of the substation construction contract.

RFP #6115 was structured to obtain unit prices for three sizes of control buildings along with a mechanism for altering the lengths of the building in 2' increments. DME will also have the option of procuring batteries and chargers through a separate purchase. Purchase orders will be issued for each substation when the project is ready to proceed using the unit pricing. Included in the unit pricing is the option for the manufacture to install owner furnished relay control panels. The proposed contract will not be exclusive, will not obligate DME to expend any minimum amount, and can be terminated at any time with notice.

The RFP was advertised in accordance with Materials Management procedures. Nine responsive proposals were received. The members of the RFP evaluation team were Laura Cheek and Mark Zimmerer. The proposals were evaluated in accordance with the factors included in the RFP, which were:

a) Delivery/Project Schedule (FACTOR: 10%).

Ability to timely start and complete project. This includes the schedule to complete project and may include ability to meet required milestones of completion. For supplies, the estimated delivery after receipt of order. Delivery will be scored proportionally to others submitted proposals.

b) Compliance with specifications, quality, reliability, characteristics to meet stated or implied needs (FACTOR 20%)

Compliance with the stated specification(s) coupled with the quality and reliability of the goods and services such as fitness for use that meets or exceeds Owner's expectations and the characteristics of the product or service that bear on its ability to meet the stated/implied needs.

c) Indicators of Probable Performance under contract (FACTOR: 10%).

Indicators of probable performance under the contract to include: past vendor performance, financial resources and ability to perform, experience or demonstrated capability and responsibility, references, and the vendor's ability to provide reliable maintenance agreements and support.

d) Price, Total Cost of Ownership (FACTOR: 60%).

The price of the items, to include total cost of ownership, such as installation costs, life cycle costs, and warranty provisions.

Information from the proposals is summarized in Exhibit 1. Construction of the recommended contract amount is contained in Exhibit 2. The recommended contract amount was arrived at by rounding the estimated total cost for three years up to the nearest $10,000. Exhibit 3 contains pictures of the main control building for RD Wells Interchange as an example of the types of buildings proposed for purchase.

The evaluation factors were assessed independently; and then, the points were added to determine the proposal with the best value to the city. The proposal with the highest points was Crown Technical Systems, Fontana, CA. The Crown proposal meets the requirements of the specifications.

The RFP included a mechanism for adjusting the price over time based on a third party index. This feature of the agreement is necessary for it to be useable over the three year time frame because of the volatility in the

metals markets and fuel cost. Cost adjustments can be made at the time of each order based on the most recent U.S. Department of Labor, Bureau of Labor Statistics Producer Price Index (PPI) for Electrical Equipment Manufacturing (Series ID: PCU33531335310) if the index changes more than 1% up or down.

OPTIONS

1. Recommend approval.
2. Not recommend approval and direct that other actions be taken.

RECOMMENDATION

DME recommends approval of an annually, renewable, unit price agreement with Crown Technical Services for purchase of prefabricated control buildings in an amount not to exceed $3,530,000.

ESTIMATED SCHEDULE OF PROJECT

Purchases will be based on project schedules.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

There has been no prior action related to this purchase; however, the proposed purchase is consistent with project information detailed in CIP and budget presentations.

FISCAL INFORMATION

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

BID INFORMATION

The RFP information is summarized in Exhibit 1.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: **Public Infrastructure**
Related Goal: **2.3 Promote superior utility services and facilities**

EXHIBITS

1. Evaluation Summary for RFP #6115
2. Unit Prices & Estimated Contract Amount for RFP #6115
3. Substation Control Building Example (Pictures)

Respectfully submitted:

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