



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

ACM: Mario Canizares

DATE: August 1, 2017

SUBJECT

Consider adoption of an ordinance accepting competitive proposals and awarding a contract for the supply of Okonite underground distribution cables and substation control cables for Denton Municipal Electric to be stocked in the City of Denton Distribution Center; providing for the expenditure of funds therefor; and providing an effective date (RFP 6404-awarded to The Okonite Company in the three (3) year not-to-exceed amount of \$1,400,000).

RFP INFORMATION

This Request for Proposals (RFP) is to supply primary 15kV, secondary 600V insulated service cable, and multi-conductor substation control cable that are key components in Denton Municipal Electric's (DME) installation of distribution level underground electrical service, to its customers. The cable will be used to replace existing underground cable that has failed and to extend service to new residential, commercial, and industrial customers. These cables will also be utilized in DME's substation projects that have been approved in the Five Year Capital Improvement Plan.

Volatility in copper and aluminum prices have made it mandatory and prudent that a procurement method be crafted that recognizes the reality of conditions in the marketplace and also minimizes cost exposure by locking in projected quantities. The unit prices recommended for award are based upon published third-party indices for raw materials provided in the specifications. Throughout the contract, the prices will adjust (increase or decrease) based upon the previous month's basis for raw materials. Line Items 1-5 of the pricing/tabulation sheet (Exhibit 1), will adjust based upon the current raw material price at the time the order is placed and accepted.

Request for proposals were sent to 38 prospective suppliers. In addition, specifications were placed on the Materials Management website for prospective suppliers to download and the notice to prospective suppliers was advertised in the local newspaper. Four (4) proposals were received; however, one proposal received from Irby Utilities, was deemed non-responsive for providing pricing for non-approved products. In addition, the offer from Wesco Distribution was incomplete, requiring staff to insert the highest priced items offered from other proposers for evaluation purposes. These prices are highlighted in red on the evaluation sheet (Exhibit 1). Proposals were evaluated based upon published criteria, including price, delivery, and probable performance by the supplier. Items 8-10, 14-15, 18-21 received no offers, therefore, were omitted from award. As a result, staff is recommending award of Items 1-7, 11-13, and 16-17. The Okonite Company's proposal received the highest evaluated score based on these items, resulting in the best value for the City (Exhibit 1).

RECOMMENDATION

Award to The Okonite Company in the three (3) year not-to-exceed amount of \$1,400,000.

PRINCIPAL PLACE OF BUSINESS

The Okonite Company
Ramsey, NJ

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) 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

The costs for material purchased under the proposed agreement will be funded from project accounts on an as needed basis. The cable is carried in the Distribution Center as an inventory item and charged back to the using department when purchase orders are issued.

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: **Organizational Excellence**
Related Goal: **2.3 Promote superior utility services and facilities**

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Evaluation and Ranking Sheet
Exhibit 3: Ordinance
Exhibit 4: Contract

Respectfully submitted:
Galen Gillum, 349-7656
Director of Capital Projects

For information concerning this acquisition, contact: Karen Smith at 349-8346.