



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

CM: Todd Hileman

DATE: November 7, 2017

SUBJECT

Consider adoption of an ordinance accepting competitive bids and awarding a contract for the supply of Optical Ground Wire (OPGW) Transmission Conductor and Accessories 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 (IFB 6551-awarded to the lowest responsible bidder meeting specification, Techline, Inc. in the four (4) year not-to-exceed amount of \$525,000).

BACKGROUND

Denton Municipal Electric (DME) has transmission line projects approved in its five year Capital Improvement Plan that will require installation of up to 20.7 miles of fiber optical ground wire (OPGW). OPGW is a type of conductor that is installed as the overhead shield wire for a transmission line. The purpose of the shield wire is to protect the transmission line from lightning. The theory is that this grounded conductor will attract lightning away from the phase conductors.

OPGW is a special type of shield conductor that incorporates optical fiber in its core that is used for fiber communications. Transmission line design requires specifying the conductor so that pole strengths can be matched to the tension requirements. DME, based upon the recommendation from its designing engineer, chose AFL conductors as the brand to be specified in IFB#6551. As these commodities are "common stock items" in the Distribution Center working capital inventory under City of Denton General Government, they are not reviewed by the Public Utilities Board.

The Distribution Center orders goods in coordination with DME for specific projects under construction. The items are temporarily stored in the Distribution Center until they are needed on the jobsite and then transferred to DME through an inventory management system. The items are ordered as needed, taking into account the contracted lead time and the need by date by the using department. The need by date is established by ensuring that citizen, customer, and developer timelines all form the basis of when the construction work must be complete by with an operational City of Denton service; furthermore, it factors in City of Denton construction crew schedules and construction sequencing with job site contractors.

Invitations for Bid were sent to 210 prospective suppliers for these items. In addition, specifications were placed on the Materials Management website for prospective suppliers to download and advertised in the local newspaper. Five (5) bids were received. Staff recommends awarding to the lowest responsible bidder meeting specification, Techline Inc. (Exhibit 2).

RECOMMENDATION

Award a contract for Optical Ground Wire (OPGW) Transmission Conductor and Accessories to Techline, Inc. in the four (4) year not-to-exceed amount of \$525,000. This amount includes a contingency for unforeseen maintenance/repairs/ new projects.

PRINCIPAL PLACE OF BUSINESS

Techline Inc.
Fort Worth, TX

ESTIMATED SCHEDULE OF PROJECT

This is an initial one (1) year contract with options to extend the contract for three (3) additional one (1) year periods, with all terms and conditions remaining the same.

FISCAL INFORMATION

The items in this bid will be funded out of the Distribution Center working capital account and charged back to the using department. The costs for material purchased under the proposed agreement will be funded out of amounts budgeted for specific projects. The work proposed will be in the transmission category. These costs for transmission projects will ultimately be recovered through the Public Utility Commission Transmission Cost of Service Program (TCOS).

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: **2.5 Develop Capital Improvement Program (CIP) based on community needs**

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Tabulation Sheet
Exhibit 3: Ordinance
Exhibit 4: Contract

Respectfully submitted:
Karen Smith, 349-8436
Purchasing Manager

For information concerning this acquisition, contact: Karen Smith at 940-349-8436