



## City of Denton

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

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### 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 Electric Utility Station Class Polymer Arresters to be stocked in the City of Denton Distribution Center; providing for the expenditure of funds therefor; and providing an effective date (IFB 6555-awarded to the lowest responsible bidder meeting specification, Techline, Inc. in the three (3) year not-to-exceed amount of \$110,000).

**BACKGROUND**

Denton Municipal Electric (DME) has substation projects approved in its five year Capital Improvement Plan that will require installation of 69kv and 138kV polymer station class lightning arresters. Arresters are designed to limit the line-to-ground voltage on lines and station equipment in the event of lightning or other transient voltage conditions. Arresters begin conducting as voltages increase in an attempt to keep voltages below levels that could cause damage to equipment or insulators. They are, in essence, the sacrificial items on the system that help avoid damage to much more expensive and harder to replace items. Arresters must be purchased with ratings matched to the voltage of the systems they protect

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 349 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. One (1) bid was received. Staff recommends awarding to Techline, Inc. as the lowest responsible bidder meeting specification.

## **RECOMMENDATION**

Award a contract for Electric Utility Station Class Polymer Arresters to Techline, Inc. in the three (3) year not-to-exceed amount of \$110,000. 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 two (2) 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