



City of Denton

City Hall
215 E. McKinney
Street
Denton, Texas

AGENDA INFORMATION SHEET

DEPARTMENT: Materials Management

CM: Todd Hileman

DATE: January 9, 2018

SUBJECT

Consider adoption of an ordinance accepting competitive proposals and awarding a contract for the supply of Electric Utility Station Service Voltage Transformers 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 6490-awarded to ABB, Inc. in the three (3) year not-to-exceed amount of \$500,000).

FILE INFORMATION

Denton Municipal Electric (DME) has substation projects approved in its five (5) year Capital Improvement Plan that will require the installation of station service voltage transformers. Station service voltage transformers (SSVT) are used to transform the transmission voltage from 138kV down to 120/240 volts which will be used to provide power for site electrical needs. Substation sites require 120/240 volt power to operate building lights, exterior lights, receptacles, battery charges, and other electrical hardware and equipment.

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.

Requests for Proposals were sent to 275 prospective suppliers of this item. In addition, specifications were placed on the Materials Management website for prospective suppliers to download and advertised in the local newspaper. Five (5) proposals were received and evaluated based upon published criteria including price, project schedule, compliance with specifications, and indicators of probable performance (Exhibit 2). ABB, Inc. was ranked the highest and determined to be the best value for the City.

RECOMMENDATION

Award to ABB, Inc. in the three (3) year not-to-exceed amount of \$500,000.

PRINCIPAL PLACE OF BUSINESS

ABB, Inc.
Lexington, KY

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 RFP 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: Organizational Excellence

Related Goal: 2.3 Promote superior utility services and City facilities

EXHIBITS

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

Respectfully submitted:
Karen Smith, 349-7100
Purchasing Manager

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