



## Legislation Text

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**File #:** ID 14-0524, **Version:** 1

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### AGENDA INFORMATION SHEET

**DEPARTMENT:** Materials Management

**ACM:** Bryan Langley

**AGENDA DATE:** September 16, 2014

#### **SUBJECT**

Consider adoption of an ordinance accepting competitive proposals and awarding a contract for the supply of Wood Utility Poles for Denton Municipal Electric; providing for the expenditure of funds therefore; and providing an effective date (RFP 5606-awarded to Kisatche Treating, Inc. in the three (3) year not-to-exceed amount of \$1,679,247).

#### **RFP INFORMATION**

This RFP is for the annual contract to supply Wood Utility Poles used by Denton Municipal Electric (DME). The items are stocked by the Distribution Center and used as needed. Purchases from the City's Distribution Center are approved by the City Council and do not receive a recommendation from the City's Public Utilities Board even if the goods purchased may be used by the City's utilities.

Requests for Proposals were sent to 34 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. One (1) proposal was received (Exhibit 1-Evaluation Sheet). A Best and Final Offer (BAFO) was conducted which resulted in a lower cost per pole for Item 28. This item is an option which allows DME to use a qualified pole inspector to hand pick the straightest and strongest poles out of the plant's pole stack for each shipment of poles to be delivered to DME. The proposals were evaluated based upon published criteria including performance, delivery, acceptance of standard terms and conditions, and price. Based upon this evaluation, Kisatche Treating, Inc. meets all requirements and is determined to be the best value for the City.

The City previously released a solicitation in 2010 for wood poles and four (4) firms responded. The City awarded a contract to Colfax Treating in 2010, as the best valued option, which was acquired by Kisatche Treating. The operation was then moved to Pineville, LA. During the course of the contract, the City received two price increase requests: 6% in 2012 and 4% in 2013. All firms that responded to the previous RFP in 2010 were notified by direct email of the new solicitation. From information gathered during the solicitation process, one of the previous respondents is now part of a larger conglomerate company that owns Kisatche, therefore reducing the market competition. A comparison of the Fiscal Year 2014 pricing to the 2015 pricing included in this contract indicates that the City will experience an overall price increase of 8% for the supply of these products.

#### **RECOMMENDATION**

Approve a contract with Kisatche Treating, Inc. for Wood Utility Poles in a three (3) year not-to-exceed amount of \$1,679,247.

### **PRINCIPAL PLACE OF BUSINESS**

Kisatche Treating, Inc.  
Pineville, LA

### **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.

### **EXHIBITS**

Exhibit 1: Ranking/Evaluation Sheet  
Exhibit 2: Ordinance  
Exhibit 3: Contract

Respectfully submitted:  
Chuck Springer, 349-8260  
Director of Finance

For information concerning this acquisition, contact: Elton Brock at 349-7133.