



Legislation Text

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Agenda Information Sheet

DEPARTMENT: Denton Municipal Electric

CM/ ACM: Howard Martin

Date: February 13, 2017

SUBJECT

Consider recommending approval of Amendment #3 to a Contract with Barco Construction Co., for procurement of Underground Electric Service Installation for Denton Municipal Electric, while continuing electric underground service installation in the further amount of \$1,209,371 (RFP #5567- Amendment #3 to Three Year Contract for Underground Service Installation Awarded to Barco Construction Co., in the original not-to-exceed amount of \$4,837,484; with the not-to-exceed amount now totaling \$6,046,855).

BACKGROUND

Contractors have been utilized by DME for the installation of underground utilities since February 2000. This service was originally contracted out via the RFP process to accommodate the rapid rate of growth in Denton and the City's desire to install underground facilities in all new residential subdivisions and in locations where it is economically feasible. Contract #5567 consists of the labor, equipment, tools, and supervision, and will cover all administrative and insurance costs incurred by the contractor necessary to complete installations of electric service facilities under the direction of Denton Municipal Electric (DME) staff. DME will provide all of the permanent electric materials through the Materials Management Department of the City that are to be installed by the contractor. Anticipated work will be performed for underground construction in residential subdivisions, commercial and industrial developments, exit feeders for new substations, and overhead conversion projects. This agreement will not guarantee any minimum amounts of construction and will be used on an as needed basis, contingent upon project dependencies. The existing three year contract will expire on September 16, 2017 and a new RFP will be issued for award prior to that expiration time. During the past 2 years and 4 months since the award of RFP #5567's contract, DME has successfully completed:

- 2014- 9 new subdivisions and 17,230 feet' of UG 3-phase main line conductor (3.27 miles during Barco's time in 2014)
- 2015 - 6 new subdivisions and 40,400 feet' of UG 3-phase main line conductor (7.66 miles)
- 2016 - 5 new subdivisions, 70,745 feet' of UG 3- phase main line conductor (13.40 miles) and over 88,000' of 6" conduit for major infrastructure and future Industrial growth along Western Blvd to serve the Winco Distribution Center that Economic Development brought to Denton.

Two previous Amendments to RFP #5567 were requested and approved under the Purchasing Department's delegated authority on July 31, 2015, also on August 19, 2015 adding a few minor line item additions to the awarded pricing per Exhibits #1 & #2.

The initial contract amount approved for RFP #5567 was \$4,837,484 for a three year period. DME is presently in the last year of that three year contract which will expire September 16, 2017. The original awarded amount for the contract was based upon the history DME had experienced for previous contracts for Underground Electric Service Installation while attempting to forecast over a three year period the amount of growth and infrastructure improvement DME would need. As shown in the previous information 2016 was a year in which our installation numbers rose dramatically in large part due to the Western UG-Jim Christal to FM 1515 project. This one major Denton project alone was a \$1,083,315.29 cost to this multi-year contract.

OPTIONS

1. Recommend approval of an Amendment #3 to the contract with Barco Construction Co.
2. Do not recommend approval of an Amendment #3 to the contract with Barco Construction Co. and provide DME staff with additional direction.

RECOMMENDATION

DME recommends approving Amendment #3 to the contract for the purchase of Underground Electric Installation with Barco Construction Co., to increase the not-to-exceed amount by \$1,209,371 for a total not-to-exceed amount of \$6,046,855.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The Public Utility Board recommended approval of the 3 year contract on August 25, 2014. The City Council approved the contract on September 17, 2014.

DATE SCHEDULED FOR COUNCIL APPROVAL

March 7, 2017

FISCAL INFORMATION

Each project will be funded from bond funds from DME's approved CIP budget.

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: 2.3 Promote superior utility services and facilities

EXHIBITS

1. Amendment #1 - Addition of pricing for 10 Line Items not included in original RFP.
2. Amendment #2 - Addition of pricing for 3 Line Items needed due to a change in materials being supplied by DME.

Respectfully submitted:

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