



## Legislation Text

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**File #:** ID 17-278, **Version:** 1

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### AGENDA INFORMATION SHEET

**DEPARTMENT:** Materials Management

**ACM:** Bryan Langley

**AGENDA DATE:** March 7, 2017

#### **SUBJECT**

Consider adoption of an ordinance of the City of Denton authorizing the City Manager or his designee to execute a contract for the acquisition and installation of a Supervisory Control and Data Acquisition (SCADA) hardware and software system for Denton Municipal Electric (DME) Denton Energy Center (DEC) which is available from only one source and in accordance with Chapter 252.022 of the Texas Local Government Code, such purchases are exempt from requirements of competitive bidding; and providing an effective date (File 4074-awarded to Open Systems International, Inc. (OSI) in the not-to-exceed amount of \$446,331.80). The Public Utilities Board recommends approval (7-0).

#### **FILE INFORMATION**

Denton Municipal Electric (DME) will use the Open Systems International, Inc. (OSI) Supervisory Control and Data Acquisition (SCADA) system to monitor and control 12 engines at the Denton Energy Center (DEC). The OSI SCADA system will provide real-time system information to DME Energy Management Organization's Qualified Scheduling Entity (QSE), Plant Operations and the Electric Reliability Council of Texas (ERCOT).

DME currently uses the OSI Generation Short-term Load Forecast system and the OSI Market Operations system to participate in the ERCOT regional market. DME utilizes the OSI system to meet State and Federal regulatory requirements for electric generation system operation and reliability.

This OSI SCADA proposal includes hardware and software for DME's Primary and Backup operations for Energy Management Organization's QSE function, Plant Operations, a Quality Assurance System (test environment), and a Program Development System. The Quality Assurance system will provide the ability to fully document and test software updates before applying the updates to any production systems removing the risk to redundancy in the production system. The Program Development System allows simulations of DME's Plant Operations. Plant Operations personnel can be exposed to simulated real-time system indications and responses to events that let the operators practice their actions without risking the operational integrity of the actual SCADA system. This type of preplanning and training will prepare Plant Operators to respond to actual events by improving their skill level and system response time.

In addition, this proposal includes consolidation of the OSI Generation Short-term Load Forecast system, the OSI Market Operations system and the OSI SCADA system. The build-out and installation of this SCADA

system will require six to eight months of planning and effort.

It is essential for the City of Denton to keep current subscription and maintenance with the software vendor in order to ensure availability of upgrades, software fixes, and access to knowledge and support resources. The Technology Services department could not identify any local vendors that could provide the system implementation and software maintenance for the OSI SCADA system. Therefore, procuring this system and its maintenance from the above vendor is the best value for the City of Denton.

Open Systems International, Inc., Inc. is the sole-source vendor for continued upgrade, support and maintenance for the SCADA software suite. Section 252.022 of the Local Government Code provides that procurement of commodities and services that are exempt from competitive bidding, if over \$50,000, shall be awarded by the governing body.

#### **PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On February 27, 2017, the Public Utilities Board recommended approval to forward this item to the City Council for consideration.

#### **RECOMMENDATION**

Staff recommends awarding a contract to implement OSI Supervisory Control and Data Acquisition (SCADA) hardware and software system to Open Systems International, Inc. (OSI) in the amount not to exceed \$446,331.80.

SCADA Build-out	\$393,938 Base quote plus Option #2 from quote, Exhibit 1.
10% Contingency	\$39,393.80
Estimated Travel Costs	\$10,000
Estimated Freight Costs	\$3,000
Total	\$446,331.80

#### **PRINCIPAL PLACE OF BUSINESS**

Open Systems International, Inc.  
Minneapolis, MN

#### **ESTIMATED SCHEDULE OF PROJECT**

This project is anticipated to be complete and operational by May 2018.

#### **FISCAL INFORMATION**

The cost of equipment, professional services and testing is budgeted in DME capital accounts 603996501.1355.3820 and 603966501.1355.3830. Requisition 133271 has been entered in the Purchasing software system.

## **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 facilities**

## **EXHIBITS**

Exhibit 1: Quote

Exhibit 2: Vendor Sole Source Letter

Exhibit 3: Staff Memo

Exhibit 4: Public Utilities Board Draft Minutes

Exhibit 5: Ordinance

Exhibit 6: Presentation

Respectfully submitted:  
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Customer Service Manager

For information concerning this acquisition, contact: Melissa Kraft at 349-7823.