

Memorandum

To: Mayor and City Council Members
Steve Parker, City Manager

From: Tim Howe, Assistant City Manager

Cc: Adam Ryals, Utilities Warehouse Superintendent and Freddy King, Electric Utilities Department Manager

Subject: Resolution awarding and annual contract for the purchase of pad-mount and pole-mount transformers in various sizes from Texas Electric Cooperative (TEC).

Date: June 16, 2026

Historical Background

The City of Seguin has experienced significant growth over the past five years, driven by continued residential and commercial development. To support this growth and maintain reliable electric service, the City will need to procure a substantial number of transformers to accommodate new customer demand, system expansion, and the implementation of a comprehensive five-year maintenance and replacement program.

Action Requested

Consider a resolution awarding an annual contract for the purchase of pad-mount and pole-mount transformers in various sizes, ranging from 5 KVA pole-mount to 3500 KVA three phase pad-mount transformers, for an estimated amount of \$2,165,070.00 from Texas Electric Cooperative (TEC) of Georgetown, Texas. The transformers are being procured on a as needed basis and not in the total amounts, as shown on the bib tabulation.

Procurement Methodology & Funding Source

Thirteen (13) sealed bids were received at City Hall on April 28, 2026. The estimated total bid amounts for the eleven (11) qualified bidders range from \$2,133,606.00 from KBS Electrical Distributors of Bryan, Texas to \$4,740,286.00 from Integrated Powers System LLC of North Miami, Florida. The contract proposal includes an option to renew annually for up to two (2) additional one-year terms. The City of Seguin reserves the right to award this contract to the lowest responsible bidder or to the bidder who provides the “best value” for the City. Factors considered in the evaluation of the bids were price, quality, reputation and experience of bidder, experience, long term cost, lead times, and other factors as deemed appropriate.

Funding for this purchase will come from the Utility Fund Electric Inventory account.



It's real.

Staff Recommendation

It is recommended that Texas Electric Cooperative (TEC) of Georgetown, Texas, be awarded the annual contract for the purchase of pad-mount and pole-mount transformers in various sizes in an amount estimated at \$2,165,070.00 with a lead time of stock to 14 weeks.

ATTACHMENTS

1. Resolution - Annual contract for the purchase of pad-mount and pole-mount transformers
2. Bid No. AF-2026-42 – Bid Tab
3. Bid No. AF-2026-42 – Texas Electric Cooperative. Bid Packet