



MEMORANDUM

TO: Mayor and City Councilmembers
Steve Parker, City Manager

FROM: Twila Wood, Purchasing Manager

DATE: September 28, 2022

RE: Purchase of Transformers – Price Change

City Council approved a bid award to Anixter, Inc. on June 21, 2022 for the purchase of twenty-five (25) pole mounted transformers in various sizes and twenty-five (25) 50 kva pad mounted transformers.

The awarded price of the twenty-five (25) 50 kva transformers was \$3,200 each, a total of \$80,000, with a 120 day lead time. The only other bid received for that item was 5 1/2 times that amount with nearly a two (2) year lead time.

On September 27, 2022, Anixter notified the City Electric Utilities staff that the transformers were ready to be delivered but that a mistake had been made on the quote for the pad mounted transformers submitted on bid #TF-2022-24 on May 31, 2022. The manufacturer, GE Prolec, has taken responsibility for the pricing error when they provided pricing to Anixter (a subsidiary of Wesco) to use to respond to the City's bid solicitation. The corrected price is \$4,227 each, or \$105,675 total for that item. After checking with Anixter the quoted price for the pole mounted transformers is correct and those transformers will be shipped shortly.

The transformers will be used on new development projects including the North Seguin Unit 1 and 2 and Hanna Heights. Costs are reimbursed by the developers as those projects proceed.

Given the current market volatility regarding raw materials, labor, and transportation, and given the urgency surrounding the delivery of these transformers, staff recommends accepting the corrected bid price of \$4,227 each for the 50 kva transformers.

Delivery is expected immediately pending Council approval.