

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Ordinance Waiving Competitive Bidding Requirements and Authorizing the Purchase of Transformers not to Exceed \$525,000

Staff Contact: Blake Toliver, Superintendent of Electric Operations

Summary: With availability issues and pricing fluctuations we have been holding off on purchasing transformers in hopes the market would even out. The market does not seem to be returning to normal currently. We have been operating on our reserve inventory of 3 phase pad mounted transformers over the past few years and are now at the point where we need to replenish our supply for replacements and new installations. Transformers are particularly hard to procure currently with lead times out over a year on both new and rebuilt units. We are asking to waive competitive bidding requirements to secure transformers at the best price and lead time when they come available. Transformer manufacturers and rebuilders have slots that open up and you must act in short order to order the equipment needed. These production slots do not allow for the time to act on the formal bidding process. To continue with stable operations and a supply cushion it is our recommendation to allow the utility to take advantage of these production slots when available. We are looking for 3 750 KVA, 6 1000 KVA, 6 1500 KVA, 1 2500 KVA, and 2 37.5 KVA of various low side voltages.

Funding Sources:

Source:	Budgeted Amount:	Proposed Expenditure:
Electric Funds	\$11,900,000	\$525,000

Strategic Plan Goal Application: Infrastructure Effectiveness & Improvement.

Recommendation: Approve an Ordinance Waiving Competitive Bidding Requirements and Authorizing the Purchase of Transformers not to Exceed \$525,000.