



## CITY COUNCIL COMMUNICATION

**DATE:** June 3, 2024

**FROM:** Ronnie Grace, Director of Electric

**AGENDA ITEM:** Consideration and possible action on Resolution 2024-04, waiving the bidding requirements under exemption per Texas Local Government Code 252.022 (1) and declaring a Public Calamity and authorizing the refurbishment of twenty-five (25) electric transformers by Alamo Transformer Supply Company in the amount not to exceed \$70,000.00.

### **SUMMARY:**

- The Local Government Code allows some listed exceptions to the bidding requirements found under purchasing law. These are Public Calamity, Preservation or Protection, and Unforeseen Damage.
- The Global COVID Pandemic was an event that has had the long-tail impact of limiting supplies vs demand in numerous industries including electric generation, transformation, and distribution.
- New transformers were ordered in 2022 with a lead time of 66 weeks and did not ship in February and now are not expected to arrive until August 2024, subject to change.
- Alamo Transformer guarantees work can be performed in 12 weeks or less.
- These are 100KVA Padmount Transformers and the most commonly used transformers on our system for existing and new subdivisions and industrial applications.
- Although the city prepared well in advance for maintenance and replacement issues with transformers for our system having re-allocated funding for additional transformers in 2022 and 2023 equipment shortages and delays in shipping have exhausted our supply.
- Predictions for this summer are warning of a hotter drier summer than in the past, and ERCOT has already issued one summer weather-related system alert this year.
- Be informed that if a subdivision loses a transformer during this time we move from a public calamity to a public health and safety issue, due to the time the power being out.
- Alamo has conducted refurbishment and recertification of transformers for the City in the past.
- Process is for transformers to be shipped to Alamo, inspected, and work quoted based on individual transformer needs for repair and re-certification. This is similar to taking a vehicle to a mechanic for service. Alamo is currently in possession of equipment awaiting authorization to complete work per their findings.

### **FISCAL INFORMATION:**

Budgeted: Yes      Amount: \$70,000.00      Account: 58-5365

### **RECOMMENDED MOTION OR ACTION:**

Staff recommends approval.

### **ATTACHMENTS:**

Resolution  
Statement of Compliance for Irregular Purchases  
Alamo Quote