



City of Denton

City Hall
215 E. McKinney Street
Denton, Texas
www.cityofdenton.com

AGENDA INFORMATION SHEET

DEPARTMENT: Procurement
ACM: Christine Taylor
DATE: December 16, 2025

SUBJECT

Consider adoption of an ordinance of the City of Denton, a Texas home-rule municipal corporation, ratifying the expenditure of funds by the City Manager, for the emergency purchase of switchgears for Denton Municipal Electric; and providing an effective date (File 8954 – awarded to Texas Electric Cooperatives, Inc., in the not-to-exceed amount of \$260,200.00). The Public Utilities Board will consider this item on Monday, December 15, 2025.

STRATEGIC ALIGNMENT

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

INFORMATION/BACKGROUND

This Declaration of Emergency is for switchgears needed to provide restoration of, and service to customers. It is founded on current supply chain issues being experienced across the electric utility industry, including Denton Municipal Electric (DME). All current projects have zero (0) switchgears/switches for outages; the purchase is for new 25kV switches.

Section 252.022 of the Texas Local Government Code provides exemptions associated with purchasing requirements, which include (1) a procurement made because of a public calamity that requires the immediate appropriation of money to relieve the necessity of the municipality's residents..., and (2) a procurement necessary to preserve or protect the public health or safety of the municipality's residents.

Denton's current inventory of switchgears is at levels reserved for normal, daily electric service operational responsibilities and emergency response. For new construction, DME prioritizes switchgears on a first-come, first-ready basis for customers and developers who have inspections and permits complete.

Supply chain issues for distribution assets continue to be an issue for DME. Major shortages are being experienced nationwide of critical electric utility equipment such as electric distribution transformers, underground cable, substation equipment, and other equipment necessary to maintain and provide for electric service in Denton. The need for this Declaration of an Emergency stems from lead times on switchgears approaching 56 weeks in some instances. Vendors cannot provide reliable estimates of lead times for equipment, and many of our switchgears on order have been pushed back. Table 1 provides a list of orders for switchgears needed under this Declaration of an Emergency to help mitigate some of the supply chain issues and help support DME's stock levels of switchgears. Failure to declare an emergency could cause inventory levels to drop further below minimum acceptable levels, while also halting large construction projects like Hunter Ranch.

Table 1

Transformer Size	Transformer Cost	Quantity	Total Cost
S&C 422 Switchgear	\$65,050	4	\$260,200
Purchase Order Total Cost			\$260,200

Approval of a Declaration of an Emergency, with a one-time spend authority of \$260,200, allows DME to better position its switchgear inventory for service and minimize the growing backlog of switchgear orders.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 15, 2025, this item will be presented to the Public Utilities Board (PUB) for consideration.

RECOMMENDATION

Approve the emergency purchase of switchgears for Denton Municipal Electric, in the estimated expenditure amount of \$260,200.

PRINCIPAL PLACE OF BUSINESS

Texas Electric Cooperatives, Inc.
Georgetown, TX

ESTIMATED SCHEDULE OF PROJECT

This is a single purchase processed as an Emergency Declaration. Delivery of the switchgears was on Wednesday, November 5, 2025.

FISCAL INFORMATION

These items will be funded from Denton Municipal Electric Capital Improvement Program. Purchase Order #212844 has been entered into the Purchasing software system in the amount of \$260,200. The budgeted amount for this item is \$260,200.

EXHIBITS

Exhibit 1: Agenda Information Sheet
Exhibit 2: Quote
Exhibit 3: Ordinance

Respectfully submitted:
Lori Hewell, 940-349-7100
Purchasing Manager

For information concerning this acquisition, contact: Randy Key, 940-349-7665.

Legal point of contact: Marcella Lunn at 940-349-8333.