



Contract for Alamo Transformers

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Transformer Supplies

- Lead times are currently 80 + weeks. Industry trend moving towards 2-3 years.
- Current transformer inventory below minimum levels. Contract will allow DME to get back to minimum operating levels for maintenance and outages.
- Shipments of the transformers continue to be sporadic with little notification of deliveries.

Contract Functions

- Rebuild or refurbish current transformers and return to service.
- Rebuilt and refurbished transformers provide significant cost saving and quicker lead times compared to new transformers.
- Opportunity to purchase rebuilt/refurbished from other utilities.
- Provide sustainable practices with pick-up and disposal of used oil and scrap irreparable transformers.
- Purchase new transformers with shorter lead times and apply credit from scrapped transformers.
- Provide relief in supply chain challenges and support in service reliability.

Recommendation

Approve proposed contract

Project Description	Estimated 3-Year Expenditure
Year 1	\$ 3,000,000
Year 2	\$ 3,000,000
Year 3	\$ 3,000,000
Contingency	\$ 1,000,000
Total	\$10,000,000



Questions?

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