



City of Austin

Recommendation for Action

File #: 26-1314, **Agenda Item #:** 8.

4/9/2026

Posting Language

Authorize a contract for transformer bushings for Austin Energy with Wesco Distribution, Inc., d/b/a Hi-Line Utility Supply Co., LLC or Power Supply Inc., for an initial term of two years with up to three one-year extension options in an amount not to exceed \$1,000,000. Funding: \$10,000 is available in the Capital Budget and \$90,000 is available in the Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Lead Department

Austin Financial Services.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$10,000 is available in the Capital Budget of Austin Energy.

Funding in the amount of \$90,000 is available in the Fiscal Year 2025-2026 Operating Budget of Austin Energy.

Funding for the remaining contract term is contingent upon available funding in future budgets.

Procurement Language:

Sole Source.

MBE/WBE:

Sole source contracts are exempt from the City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program); therefore, no subcontracting goals were established.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Council Committee, Boards and Commission Action:

March 9, 2026 - Recommended by the Electric Utility Commission on an 11-0 vote.

Additional Backup Information:

The contract will provide transformer bushings for Austin Energy substation transformers across its service area. Transformer bushings provide essential insulation for high-voltage connections, safely guiding electricity through the transformer wall while preventing electrical faults that could lead to explosions, fires, or outages. ABB bushings have been the approved Austin Energy standards since 2000 which are necessary for direct

replacement of existing components. All substation transformers use ABB components.

Due to the compatibility requirement, a sole source contract is necessary. ABB owns the intellectual property for these parts and authorizes distribution exclusively through Wesco Distribution Inc., dba Hi-Line Utility Supply Co, LLC or Power Supply Inc.

This contract replaces the previous agreement with the same contractor. The requested amount is based on budget projections, operations and maintenance needs, and includes a contingency for unplanned events and price escalations.

If a contract is not approved, the City could face increased risk of extended outages due to bushing failures.

Contract Details:		
Contract Term	Length of Term	Contract Authorization
Initial Term	2 years	\$400,000
Optional Extension 1	1 year	\$200,000
Optional Extension 2	1 year	\$200,000
Optional Extension 3	1 year	\$200,000
Total	5 years	\$1,000,000

Note: Contract Authorization amounts are based on the City's estimated annual usage.