

**FAYETTEVILLE PUBLIC WORKS COMMISSION
SOLE SOURCE REQUEST**

TO: Timothy L. Bryant, CEO/General Manager DATE: March 31, 2026
CC: Marc Tunstall, Interim Chief Operating Officer – Electrical Systems 
David Deschamps, Director of Electrical Engineering
FROM: Glenn Andersen, Principal Engineer – Material Standards, Electrical Engineering

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PWC’s Electrical Engineering and Construction Department seeks approval to purchase specific equipment pursuant to a sole source exception to the competitive bidding requirements. North Carolina law allows an exception from the competitive bidding requirements for “Purchases of apparatus, supplies, materials, or equipment when: (i) performance or price competition for a product are not available; (ii) a needed product is available from only one source of supply; or (iii) standardization or compatibility is the overriding consideration.” NCGS §143-129(e)(6). Such an exception is only available in this instance if the Commission approves the purchase.

The request is specifically to authorize a one (1) year sole source agreement with the option to renew for two (2) additional one (1) year terms for the purchase of Distribution Transformers (Overhead, Single-Phase Padmount, and Three-Phase Padmount) manufactured by Electric Research Manufacturing Company (ERMCO) of Dyersburg, Tennessee for Fiscal Years 2027, 2028, and 2029.

ERMCO distribution transformers are procured through their authorized distributor, Tarheel Electric Membership Association (TEMA). As the authorized distributor for these products, TEMA provides pricing, order management, and coordination with ERMCO for production and delivery of transformers meeting PWC’s material specifications. A quote dated March 27, 2026, in the amount of \$2,708,385.00 is attached for reference. This quote reflects the potential cost of year one. This request is based on the overriding consideration of standardization and compatibility with existing PWC infrastructure and equipment.

PWC previously maintained several multi-year agreements with ERMCO dating back to July 2011, the most recent of which expired in December 2023. Throughout those contract terms, ERMCO supplied the majority of PWC’s transformers, which continue to perform reliably in service today. It is in PWC’s best interest to continue standardizing distribution transformers for the following reasons:

- **Certified Repair Facility:** PWC’s Apparatus Repair Shop is a certified ERMCO repair facility, allowing direct access to OEM parts, schematics, and repair data for both legacy and newly purchased units. Based on this capability, ERMCO also reimburses PWC for warranty

repair work performed in-house, reducing external service costs and improving turnaround time.

- **Compatibility with Existing Assets:** ERMCO has been PWC's primary supplier for more than fourteen years, with over 5,000 units currently in service across the system.
- **Data and System Integration:** ERMCO equipment aligns with PWC's nameplate and barcode standards for internal tracking, asset management, and engineering data uploads.
- **Safety and Design Consistency:** ERMCO transformers incorporate features such as hinged doors, side panels, and cabinet covers that align with PWC's operational and safety standards for field installation, inspection, and maintenance.
- **Training and Field Familiarity:** PWC crews and field personnel are trained and experienced with ERMCO configurations and safety clearances. Standardization minimizes installation errors, reduces retraining needs, and improves response time for field repairs. Crews can install ERMCO transformers using existing tools and procedures, reducing setup and outage times.
- **Repair and Lifecycle Cost Efficiency:** Maintaining a uniform transformer fleet reduces spare-parts complexity, warehouse stocking levels, and lifecycle costs through simplified maintenance and asset interchangeability.
- **Cost Avoidance:** Prior competitive solicitations have required approximately two to three months to complete (advertisement, evaluation, and approvals), with additional administrative effort and delays due to non-responsive bids and vendor performance issues. ERMCO/TEMA pricing has historically been more competitive than alternative manufacturers, whose bids have often been higher and failed to meet PWC minimum required specifications, resulting in cancellations and rebids. Standardization reduces administrative burden and supports timely, cost-effective acquisition of required equipment while enabling efficient warehouse inventory management and planning.

Agreement Structure

Approval of this request will allow PWC to enter into a one-year Sale of Goods Agreement with TEMA, the authorized distributor for ERMCO transformers, following Commission and City Council approval. The agreement will establish a ceiling price for each year based on PWC's three-year historical usage average. For planning purposes, PWC anticipates a ceiling price of \$2,708,385.00 annually. The agreement will allow flexibility to adjust annual purchase quantities as project needs change, provided purchases remain limited to the approved transformer stock numbers established in the agreement.

Pricing Considerations

The pricing provided with this request reflects current market conditions and is included for reference purposes only. Because distribution transformers are manufactured using raw materials such as steel, copper, and electrical components that are subject to market volatility, the agreement will include price escalation and de-escalation provisions tied to an established industry index. Including index-based pricing adjustments ensures that any changes during the agreement term remain transparent, objective, and tied to verifiable market conditions, while allowing PWC to maintain continuity of supply.

		Stock Code	Description	Yearly Usage	ERMCO quote #	Steel	Current Price	Extended Price	PWC spec quoted by
1	1-Ph	1295066	TRANSFORMER, CONV, 50 KVA 14.4/24.94Y X 7.2/12.47Y-277	13	788789.001	GOES	\$2,640.00	\$34,320.00	pole spec dated 01292026
2	1-Ph	1295330	TRANSFORMER, CSP, 10 KVA 12.47GRDY/7.2-120/240	60	788789.002	GOES	\$1,280.00	\$76,800.00	pole spec dated 01292026
3	1-Ph	1295365	TRANSFORMER, CSP, 25 KVA 12.47GRDY/7.2-120/240	103	788789.003	GOES	\$1,790.00	\$184,370.00	pole spec dated 01292026
4	1-Ph	1295395	TRANSFORMER, CSP, 50 KVA 12.47GRDY/7.2-120/240	67	788789.004	GOES	\$2,530.00	\$169,510.00	pole spec dated 01292026
5	1-Ph	1295415	TRANSFORMER, CSP, 75 KVA 12.47GRDY/7.2-120/240	5	788789.005	GOES	\$4,408.00	\$22,040.00	pole spec dated 01292026
6	1-Ph	1295015	TRANSFORMER, CONV, 10 KVA 7.2/12.47Y-120/240	1	788789.006	GOES	\$1,140.00	\$1,140.00	pole spec dated 01292026
7	1-Ph	1295016	TRANSFORMER, CONV, 10 KVA 14.4/24.94Y-120/240	1	788789.007	GOES	\$1,270.00	\$1,270.00	pole spec dated 01292026
8	1-Ph	1295030	TRANSFORMER, CONV, 25 KVA 7.2/12.47Y-120/240	1	788789.008	GOES	\$1,650.00	\$1,650.00	pole spec dated 01292026
9	1-Ph	1295031	TRANSFORMER, CONV, 25 KVA 14.4/24.94Y-120/240	1	788789.009	GOES	\$1,870.00	\$1,870.00	pole spec dated 01292026
10	1-Ph	1295046	TRANSFORMER, CONV, 25 KVA 7.2/12.47Y-240/480	1	788789.010	GOES	\$1,640.00	\$1,640.00	pole spec dated 01292026
11	1-Ph	1295047	TSFR, CV, 25KVA, 14.4/24.94Y-240/480	1	788789.011	GOES	\$1,840.00	\$1,840.00	pole spec dated 01292026
12	1-Ph	1295061	TRANSFORMER, CONV, 50 KVA 14.4/24.94Y-120/240	1	788789.012	GOES	\$2,780.00	\$2,780.00	pole spec dated 01292026
13	1-Ph	1295080	TRANSFORMER, CONV, 75 KVA 7.2/12.47Y-120/240	1	788789.013	GOES	\$3,605.00	\$3,605.00	pole spec dated 01292026
14	1-Ph	1295095	TRANSFORMER, CONV, 75 KVA 14.4/24.94Y-120/240	1	788789.014	GOES	\$3,750.00	\$3,750.00	pole spec dated 01292026
15	1-Ph	1295100	TRANSFORMER, CONV, 100 KVA 7.2/12.47Y-120/240	1	788789.015	GOES	\$4,640.00	\$4,640.00	pole spec dated 01292026
16	1-Ph	1295125	TRANSFORMER, CONV, 100 KVA 14.4/24.94Y-120/240	1	788789.016	GOES	\$4,880.00	\$4,880.00	pole spec dated 01292026
17	1-Ph	1295418	TRANSFORMER, CSP, 100 KVA 12.47GRDY/7.2-120/240	1	788789.017	GOES	\$5,065.00	\$5,065.00	pole spec dated 01292026
18	1-Ph	1295414	TRANSFORMER, CSP, 75 KVA 24.94GRDY/14.4-120/240	1	788789.018	GOES	\$4,580.00	\$4,580.00	pole spec dated 01292026
19	1-Ph	1295421	TRANSFORMER, CSP, 100 KVA 24.94GRDY/14.4-120/240	1	788789.019	GOES	\$5,320.00	\$5,320.00	pole spec dated 01292026
20	1-Ph	1295610	TSFMR, PDMT, 1-PH, 25KVA, 12470GRDY/7200X24940GRDY/14400-240/120 V	33	788904.003	GOES	\$3,180.00	\$104,940.00	pad spec dated 01292026
21	1-Ph	1295630	TSFMR, PDMT, 1-PH, 50KVA, 12470GRDY/7200X24940GRDY/14400-240/120 V	100	788904.001	AMT	\$3,797.00	\$379,700.00	pad spec dated 01292026
22	1-Ph	1295640	TSFMR, PDMT, 1-PH, 75KVA, 12470GRDY/7200X24940GRDY/14400-240/120 V	10	788904.004	AMT	\$4,565.00	\$45,650.00	pad spec dated 01292026
23	1-Ph	1295655	TSFMR, PDMT, 1-PH, 100KVA, 12470GRDY/7200X24940GRDY/14400-240/120 V	13	788904.002	GOES	\$6,130.00	\$79,690.00	pad spec dated 01292026
24	3-Ph	1295670	TSFMR, PDMT, 3-PH, 150KVA, 12470GRDY/7200X24940GRDY/14400-208Y/120 V	10	790544.001	AMT	\$14,180.00	\$141,800.00	3ph pad spec dated 01292026
25	3-Ph	1295677	TSFMR, PDMT, 3-PH, 150KVA, 12470GRDY/7200X24940GRDY/14400-480Y/277 V	2	790544.002	AMT	\$13,050.00	\$26,100.00	3ph pad spec dated 01292026
26	3-Ph	1295701	TSFMR, PDMT, 3-PH, 300KVA, 12470GRDY/7200X24940GRDY/14400-208Y/120 V	8	790544.003	AMT	\$17,040.00	\$136,320.00	3ph pad spec dated 01292026
27	3-Ph	1295706	TSFMR, PDMT, 3-PH, 300KVA, 12470GRDY/7200X24940GRDY/14400-480Y/277 V	5	790544.004	AMT	\$16,360.00	\$81,800.00	3ph pad spec dated 01292026
28	3-Ph	1295721	TSFMR, PDMT, 3-PH, 500KVA, 12470GRDY/7200X24940GRDY/14400-208Y/120 V	5	790544.005	GOES	\$24,305.00	\$121,525.00	3ph pad spec dated 01292026
29	3-Ph	1295732	TSFMR, PDMT, 3-PH, 500KVA, 12470GRDY/7200X24940GRDY/14400-480Y/277 V	5	790544.006	GOES	\$22,580.00	\$112,900.00	3ph pad spec dated 01292026
30	3-Ph	1295741	TSFMR, PDMT, 3-PH, 750KVA, 12470GRDY/7200X24940GRDY/14400-480Y/277 V	3	790544.007	GOES	\$30,820.00	\$92,460.00	3ph pad spec dated 01292026
31	3-Ph	1295747	TSFMR, PDMT, 3-PH, 750KVA, 12470GRDY/7200X24940GRDY/14400-208Y/120 V	3	790544.010	GOES	\$35,150.00	\$105,450.00	3ph pad spec dated 01292026
32	3-Ph	1295755	TSFMR, PDMT, 3-PH, 1000KVA, 12470GRDY/7200X24940GRDY/14400-480Y/277 V	3	790544.011	GOES	\$41,160.00	\$123,480.00	3ph pad spec dated 01292026
33	3-Ph	1295770	TSFMR, PDMT, 3-PH, 1500KVA, 12470GRDY/7200X24940GRDY/14400-480Y/277 V	3	790544.008	GOES	\$45,820.00	\$137,460.00	3ph pad spec dated 01292026
34	3-Ph	1295785	TSFMR, PDMT, 3-PH, 2500KVA, 12470GRDY/7200X24940GRDY/14400-480Y/277 V	7	790544.009	GOES	\$69,720.00	\$488,040.00	3ph pad spec dated 01292026

\$2,708,385.00

Pricing is subject to escalation/de-escalation quarterly based on time of shipment



ERMCO
2225 Industrial Road
Dyersburg, Tennessee 38024

March 30, 2026

Tarheel Electric Membership Association, Inc.
8730 Wadford Drive
Raleigh, NC 27616
ATTN: Jason Caudle, COO

RE: Sole Distributor Notice

Tarheel Electric Membership Association, Inc.,

This letter serves to confirm that the Tarheel Electric Membership Association, Inc. ("TEMA") is an authorized distributor of the products manufactured by Electric Research and Manufacturing Cooperative, Inc. and its subsidiaries (collectively, "ERMCO"), including but not limited to electric distribution transformers (collectively, "Products"), pursuant to that certain distribution agreement ("Agreement") entered into by and between ERMCO and TEMA.

Pursuant to the Agreement, TEMA is the sole and exclusive distributor of ERMCO Products with respect to: PWC Fayetteville.

If you require additional verification or have any questions regarding authorized distribution, please feel free to reach out to your point of contact TEMA.

Sincerely,

A handwritten signature in black ink that reads 'Brett Weyers'.

Brett Weyers
Vice President
ERMCO