



City Electric Supply
Southwest Division
PO Box 131811
Dallas, TX 75313
Phone: (512) 249-7426
www.cityelectricsupply.com

Date:

To: City Council of Corona
From: Michael Pino
Job: P23769

We thank you for PO P23769 for 3 transformers. As I am sure you have heard tariffs have been a hot topic in the manufacturing industry and have affected us tremendously. The transformers you ordered months ago were built in India, an ally of the United States and a country we didn't expect to receive a tariff. Unfortunately, due to India politics, the country of India was hit with export tariffs just this past August. Exports from India are being charged up to 50% of the total invoice. Your PO P23769 falls within that receiving guideline which means a tariff was added after the bid was approved.

The three transformers were sold to the City of Corona for \$48,461.54 each. The manufacturer covers some of the cost and the tariff being presented to City Electric Supply is \$33,636.95. CES is covering \$10,000 of this tariff leaving \$23,636.95 charged to the City of Corona. The total invoice amount after tax is \$183,810.96.

Please approve this change order so we can proceed. Material has made land here in California and ready for delivery as early as next week.



Michael R. Pino

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