

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	53212	Agenda Number	71.
Meeting Date:	December 17, 2015			
Department:	Purchasing			
Subject				
Authorize award and execution of an amendment to the contract with PIKE ELECTRIC, LLC., for transmission and distribution construction and maintenance services to increase the contract authorization for the current contract period in an amount not to exceed \$2,000,000, for a revised total contract amount not to exceed \$41,000,000.				
Amount and Source of Funding				
Funding in the amount of \$2,000,000 is available in the Fiscal Year 2015-2016 Capital Budget of Austin Energy.				
Fiscal Note				
A fiscal note is attached.				
Purchasing Language:	Contract Amendment			
Prior Council Action:	December 9, 2010 - Approved original contract, item # 36. June 4, 2015 - Approved amendment, item # 35.			
For More Information:	Leslie Giannattasio, Senior Buyer, 512-322-6583			
Council Committee/Board s and Commission Action:	December 3, 2015 - Recommended by the Austin Energy Utility Oversight Committee to the full Council on a 8-0 vote. December 14, 2015 – To be reviewed by the Electric Utility Commission.			
Related Items:				
MBE / WBE:	This contract was awarded in compliance with City Code Chapter 2-9C of the Minority Owned and Women Owned Business Enterprise Procurement Program through the achievement of good faith efforts with 4.85% MBE and 1.33% WBE participation.			
Additional Backup Information				

The contract is for transmission and distribution construction and maintenance services for Austin Energy. These services include customer service extensions, the removal and replacement of utility poles, storm-related outage restoration and distribution line relocations. The contract provides Austin Energy with ready access to contract labor and equipment for the performance of routine and emergency electrical transmission and distribution expansion and maintenance. Additional funding is needed due to continued development and growth in Austin Energy's service territory, including new multi-use developments, apartment complexes, residential subdivision phases and commercial developments; the widening of county roads and state highways; and requests for telecommunications attachments to the utility's infrastructure.

Austin Energy has responded to this growth by implementing system modification projects to directly serve load growth and support telecommunications projects while maintaining the overall reliability of its electrical transmission and distribution systems.

The extent of impact of these factors was not known or anticipated when the contract was renewed last year. The additional authority is necessary to ensure Austin Energy's ability to maintain electric reliability in its service area and support the electrical service needs of customer-driven construction projects. Approval of this amendment is requested in December 2015 to ensure sufficient spending authority until approximately April 2016. While the RCA for the new contract request is also on Council's December 17<sup>th</sup> agenda, this extension is necessary to give the City enough time to negotiate and execute the new contract.

#### **Contract Authorization Summary**

<b>Action</b>	<b>Description</b>	<b>Amount</b>
Original Contract December 9, 2010, item # 36	Original 24-month contract with three 12-month options	\$34,000,000
Amendment June 4, 2015, item # 35	Increase of contract authorization	\$5,000,000
Proposed Amendment	Increase of contract authorization	\$2,000,000
Total Revised Contract Amount		\$41,000,000