




MEMORANDUM

TO: Gage Loots, Corporate Purchasing Manager
FROM: Mark Dombroski, Acting General Manager 
DATE: July 7, 2016
SUBJECT: Critical Business Need for Telecom Make Ready Reimbursement Contract

ACTION:

As detailed below and in accordance with City Council approved purchasing procedures, I am designating as a Critical Business Need of Austin Energy (AE) cost reimbursement agreements for make-ready, construction, and replacement work on utility poles, in an amount not to exceed \$6,000,000.00, with telecommunication, cable, data, and franchised video-service providers who have infrastructure license agreements with Austin Energy ("Licensees").

This action is necessary to meet aggressive deployment schedules of current third party licensees, such as Google Fiber and to expedite the replacement of broken and rotten poles.

BACKGROUND:

AE's Pole Infrastructure License Agreements set forth requirements under which Licensees perform necessary design, make ready work, and pole replacements at their cost. For Licensees conducting major installations, AE is responsible for the replacement or the reimbursement cost of broken, rotten or otherwise non-compliant poles

By Austin Energy reimbursing Licensees for this work, the following benefits are achieved:

- A single contractor contacting the pole which increases efficiencies, facilitates system reliability, ensures public safety, reduces environmental and customer impact
- Allows AE to focus on core business without impacting the Licensee's deployment
- Accelerates improvements and maintenance on AE's infrastructure

All pole replacement and make ready work to be performed in accordance with AE's design, engineering, and construction standards and subject to review. Reimbursement costs will be consistent with AE's overhead transmission and distribution construction contract and applicable M/WBE goals will be comprehended.

AE plans to bring this item forward for City Council Approval in an upcoming August City Council Meeting.