



Recommendation for Action

File #: 21-3520, **Agenda Item #:** 23.

12/2/2021

Posting Language

Ratify a contract with Techline Inc. to provide distribution steel poles, in the amount of \$750,000.

(Note: This contract was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9D Minority Owned and Women Owned Business Enterprise Procurement Program. For the goods required for this contract, there were no subcontracting opportunities; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$539,887 was available in the Fiscal Year 2020-2021 Operating Budget of Austin Energy. Funding in the amount of \$210,112 is available in the Fiscal Year 2021-2022 Operating Budget of Austin Energy.

Purchasing Language:

Ratification.

For More Information:

Inquiries should be directed to the City Manager's Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <<mailto:AgendaOffice@austintexas.gov>> or to Terry V. Nicholson, at 512-322-6586 or Terry.Nicholson@austintexas.gov <<mailto:Terry.Nicholson@austintexas.gov>>.

Council Committee, Boards and Commission Action:

November 8, 2021 - Unanimously recommended by the Electric Utility Commission on an 8-0 vote with Chair Hopkins absent and two vacancies.

Additional Backup Information:

The contract for distribution steel poles was required due to an unprecedented steel shortage resulting from pandemic-induced disruptions in the steel industry. Shortages of raw materials in the supply chain led to dramatic spikes in pricing as well as cancelled orders, causing the termination of the prior contract. As a result, Austin Energy declared a Critical Business Need, and this stop gap contract was executed. An informal limited competition was conducted and the pricing and supply chain stability of three contractors were reviewed to determine best value to the City.

This contract provides Austin Energy with steel poles on an as-needed basis to be used for new power lines and upgrades to existing infrastructure. Steel poles are necessary to support construction and development activities in Austin Energy's service area and maintain the reliability of the electrical system. This request is for purchases which had to be made before the request could be brought to Council for authorization. A separate

request for authorization is being submitted for the future gap until a new competitive solicitation can be issued.

Strategic Outcome(s):

Government that Works for All.