

A G E N D A



Recommendation for Council Action (Purchasing)

Austin City Council	Item ID:	61163	Agenda Number	24.
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Meeting Date:	September 1, 2016
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Department:	Purchasing
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Subject

Authorize negotiation and execution of cost reimbursement agreements for make-ready, construction, and replacement work on utility poles with telecommunication, cable, data, and franchised video-service providers who have infrastructure license agreements with Austin Energy, in a combined amount not to exceed \$1,500,000 per year over a 48-month term, for a total amount not to exceed \$6,000,000.

Amount and Source of Funding

Funding in the amount of \$125,000 is available in the Fiscal Year 2015-2016 Capital Budget of Austin Energy. Funding for the remaining 47 months of the original contract period is contingent upon available funding in future budgets.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	Critical Business Need
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Prior Council Action:	
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For More Information:	Gage Loots, Corporate Purchasing Manager, 512-322-6251
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Boards and Commission Action:	August 15, 2016 – Recommended by the Electric Utility Commission on a 9-0 vote with Commissioners Biedrzycki and Roa off the dais.
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Related Items:	
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MBE / WBE:	This contract will be awarded in compliance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program. MBE /WBE goals will be established prior to execution of a contract.
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Additional Backup Information

Austin Energy is required under state and federal law to allow telecommunication carriers, cable companies, and state-issued franchise holders to install communications networks within the public right-of-way and to use utility poles for fiber cable attachments. Based on this requirement, Austin Energy enters into pole infrastructure license agreements with various telecom and broadband service providers.

Austin Energy's Pole Infrastructure License Agreements set forth requirements under which licensees perform necessary design, make-ready work, and pole replacements at their cost. Austin Energy is responsible for the replacement of broken, rotten, or otherwise non-compliant poles.

Austin Energy is party to an infrastructure agreement with Google Fiber Texas, LLC, ("Google") in connection with that company's current build-out of its Google Fiber project in Austin. Because of the pace of Google's build-out, Austin Energy is incurring costs associated with repairing its own distribution infrastructure at a higher rate than usual.

Both Google and Austin Energy have been performing work associated with the Google Fiber project, resulting in inefficiencies including multiple visits to poles in rights-of-way and on private property, the latter of which has inconvenienced Austin residents. The proposed cost reimbursement agreements are designed to eliminate these issues.

By reimbursing licensees (such as Google) for this work, the following benefits are achieved:

- A single contractor completing the work increases efficiencies, facilitates system reliability, ensures public safety, and reduces environmental and customer impact.
- Austin Energy is able to focus on its core business without impacting the licensee's deployment.
- Improvements and maintenance on utility infrastructure will be accelerated.

All pole replacement and make-ready work are to be performed in accordance with Austin Energy's design, engineering, and construction standards and subject to review. Reimbursement costs will be consistent with Austin Energy's overhead transmission and distribution construction contract and applicable MBE/WBE goals will be established prior to execution of a contract.