



## Recommendation for Action

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**File #: 21-3323, Agenda Item #: 17.**

11/18/2021

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### **Posting Language**

Authorize negotiation and execution of a construction contract with MasTec North America, Inc., for Underground Electrical Civil Construction Indefinite Delivery/Indefinite Quantity contract in the amount of \$24,000,000 for an initial two-year term, with four, one-year extensions of \$12,000,000, for a total contract amount not to exceed \$72,000,000.

[Note: This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 7.56% MBE and 1.20% WBE participation.]

### **Lead Department**

Capital Contracting Office

### **Managing Department**

Austin Energy

### **Fiscal Note**

Funding is available in the Fiscal Year 2021-2022 Capital and/or Operating Budget of Austin Energy. Funding for the extension options is contingent upon available funding in future budgets.

### **Purchasing Language:**

Best Value to the City of Austin of the two proposals evaluated. Austin Energy designated this procurement as a Critical Business Need in accordance with Senate Bill 7, as adopted by City in Resolution No. 040610-02.

### **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) <<mailto:AgendaOffice@austintexas.gov>>

NOTE: Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-3596; Beverly Mendez, 512-974-3596; or the Project Manager, Chad Leingang, 512-505-7144.

### **Council Committee, Boards and Commission Action:**

To be reviewed by the Electrical Utility Commission on November 8, 2021.

### **Additional Backup Information:**

Austin Energy provides service and supports the needs of the utility's core mission to safely deliver reliable electric service. Continued growth in the Austin Area has contributed to the need to expand infrastructure and resources in order to fulfill electric utility reliability requirements, customer requests, and expansions of Austin Energy service and to support facility growth.

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This contract will supplement Austin Energy's labor force in order to provide ready access to contract labor and equipment for the performance of underground transmission and distribution services, all facets of electric distribution, transmission and substation underground services, routine electric service extensions as well as providing support for emergency, storm, holiday and electric outage restoration.

This request allows for the award and execution of a requirements contract with MasTec North America Inc. for an estimated period of two years with four, one-year extensions. However, if funds for the initial term are expended staff may accelerate the extension options, but in no event will exceed the total contract amount. The extension options are subject to the agreement of both parties.

Service requirements-based contracts provide for an indefinite quantity of services for a fixed time, usually an initial term with extension options. They are commonly used when precise quantities of supplies or services, above a specified minimum, cannot be determined. Service requirements-based contracts help streamline the contract process and service delivery, and allow the City the flexibility to add work as needs arise or change. As each project is identified and defined, a specific work assignment will be issued to the contractor who will complete the scope of work for the unit prices included in the contract. Work deadlines will be established for each work assignment.

MasTec North America, Inc.'s unit prices and the estimated quantities of work set forth in the Bid Form, are only used for the purpose of the comparison and evaluation of bids. The City will subsequently issue Work Assignments based on the City's needs, and not in accordance with the estimated quantities and bid amount contained in the bid documents, up to the aggregated Contract Amount of \$72,000,000, subject to further appropriations.

This contract is essential to help reduce outages and long-term disturbances in the electric systems that affect Austin Energy customers.

This contract will service all Districts and the City's Extraterritorial Jurisdiction.

MasTec, Inc. is located in Austin, TX.

**Strategic Outcome(s):**

Government that Works for All.