



Recommendation for Action

File #: 21-3521, **Agenda Item #:** 24.

12/2/2021

Posting Language

Authorize additional expenditures to a contract with Techline Inc. to continue providing distribution steel poles, in the amount of \$3,750,000 for a revised total contract amount not to exceed \$4,500,000.

(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 was insufficient availability of M/WBEs; therefore, no subcontracting goals were established).

Lead Department

Purchasing Office.

Client Department(s)

Austin Energy.

Fiscal Note

Funding in the amount of \$2,597,000 is available in the Fiscal Year 2021-2022 Operating Budget of Austin Energy. Funding for the remaining contract term is contingent upon available funding in future budgets.

Purchasing Language:

Critical Business Need.

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 additional authorization requested will allow Austin Energy to continue purchasing distribution steel poles as needed for new power lines and upgrades to existing infrastructure. An unprecedented steel shortage resulting from pandemic-induced disruptions in the steel industry led to dramatic price increases, cancelled orders and the termination of the prior contract. As a result, Austin Energy declared a Critical Business Need to establish this stop gap contract, which is necessary until a long-term contract is executed. A new long-term contract will be established to replace this one through a formal competitive solicitation in the upcoming months.

An informal limited competition was conducted and the pricing and supply chain stability of three contractors were reviewed to determine the best value to the City.

Strategic Outcome(s):

Government that Works for All.