SUBJECT: Authorize execution of a 4-month interim service agreement with PIKE ELECTRIC, Beaumont, TX, for performance of routine and/or emergency distribution and transmission construction and maintenance work in an amount not to exceed $1,625,184.80.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2005-2006 Approved Capital Budget of Austin Energy.

FISCAL NOTE: A fiscal note is attached.

REQUESTING: Purchasing
DEPARTMENT: for Austin Energy;
DIRECTOR’S AUTHORIZATION: Vickie Schubert

FOR MORE INFORMATION CONTACT: Dolores Castillo, Senior Buyer/322-6466

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Critical Business Need.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This is a new contract that will establish a four month service agreement to provide routine and/or emergency maintenance and construction of distribution and transmission facilities. This agreement will supplement Austin Energy’s manpower resources with ready access to contract labor and equipment for the performance of routine and emergency electric distribution and transmission power line work. This contract is anticipated to provide one-10 man transmission crew and four-5 man distribution crews.

A solicitation for a new 12-month service agreement was issued on June 2, 2005, but the bids were deemed non-responsive and rejected. However, because the current contract expires October 26, 2005, Austin Energy needs to have a temporary, short-term agreement in place for these services until the new 12-month agreement can be established. A new solicitation has been issued and a contract should be in place by February 1, 2006.

Because of the ongoing requirement for these services, the General Manager of Austin Energy has approved a Critical Business Need for the short-term agreement.
Three companies submitted budgetary estimates for the work on an expedited basis. Of the three, Pike Electric submitted the lowest estimate. Estimates ranged from $1,625,184.80 to $1,948,469.00.

APPROVAL JUSTIFICATION

b. Austin Energy concurs with the recommended award.
DATE OF COUNCIL CONSIDERATION: 10/20/2005
WHERE ON AGENDA: Resolution
DEPARTMENT: Austin Energy

SUBJECT: Authorize execution of a 4-month service agreement with PIKE ELECTRIC, Beaumont, TX, for performance of routine and/or emergency distribution and transmission construction and maintenance work in an amount not to exceed $1,625,184.80.

FINANCIAL INFORMATION:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Appropriation</td>
<td>$263,597,444.00</td>
</tr>
<tr>
<td>Unencumbered Balance</td>
<td>$46,402,138.85</td>
</tr>
<tr>
<td>Amount of This Action</td>
<td>$(978,336.80)</td>
</tr>
<tr>
<td>Remaining Balance</td>
<td>$45,423,802.05</td>
</tr>
</tbody>
</table>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning and Budget Signature:  Date: 10/4/05
DATE OF COUNCIL CONSIDERATION: 10/20/2005
WHERE ON AGENDA: Resolution
DEPARTMENT: Austin Energy

SUBJECT: Authorize execution of a 4-month service agreement with PIKE ELECTRIC, Beaumont, TX, for performance of routine and/or emergency distribution and transmission construction and maintenance work in an amount not to exceed $1,625,184.80.

FINANCIAL INFORMATION:

Parent Project Name: Transmission
Project Authorization: 2005-2006 Approved Capital Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Appropriation</td>
<td>$ 155,475,734.00</td>
</tr>
<tr>
<td>Unencumbered Balance</td>
<td>$ 24,816,558.30</td>
</tr>
<tr>
<td>Amount of This Action</td>
<td>(646,848.00)</td>
</tr>
<tr>
<td>Remaining Balance</td>
<td>$ 24,169,710.30</td>
</tr>
</tbody>
</table>

Use of Remaining Balance:

Remaining funds will be used for design, construction, equipment, and material acquisition to complete the project.

Use of Any Remaining Funds After Completion of Project:

No remaining funds anticipated at this time.

Director, Planning and Budget

Signature: [Signature]
Date: 10/4/05
TO: Mayor and Council Members
   Toby Hannett Futrell, City Manager

FROM: Juan Garza, General Manager
      Austin Energy

DATE: September 28, 2005

SUBJECT: Critical Business Need Authorization for Contract Labor and Equipment

Austin Energy’s current Distribution Construction & Maintenance Services contract (S040017) expires on October 26, 2005. This service provides Austin Energy with a contract labor force, supervision, and equipment for the performance of routine and/or emergency distribution construction and maintenance work. In order to maintain this needed service, solicitation DC0500016 was issued on June 2, 2005 with two bid proposals being received and opened on July 28, 2005. The low bidder was deemed non-responsive by FASD-Purchasing. Due to the lack of competition and budgetary concerns related to the 2nd low bidder, it was determined that it would be in the best interest of the City to reject all bids and reissue this solicitation.

Resulting from that action, Austin Energy will be without the services of a contract labor force from October 27th, 2005 through February 25th, 2006. Numerous distribution and transmission projects that directly impact system integrity, roadway improvement need dates or customer driven need dates are scheduled to be worked during that timeframe. Austin Energy’s in-house workforce is not sufficient to meet all needs. Therefore, pursuant to City Council approved Austin Energy purchasing procedures, I am designating the procurement of these services as a Critical Business Need.

On September 2, 2005 Austin Energy requested a budgetary weekly cost estimate from seven qualified utility construction contractors for providing the necessary labor and equipment in order to support our in-house crews. As a result of that effort, three
budgetary quotes were received on September 14, 2005 with Pike Electric, Inc. submitting the lowest weekly cost estimate based on hourly rates for specific labor and equipment as requested. Austin Energy anticipates finalizing the contract terms on or before October 3, 2005 and issuing Pike Electric a purchase order in the amount of $1,625,185. This contract is scheduled for consideration by City Council on or around October 20, 2005.

Please let me know if you have any questions. I can be reached at 322-6002.

Juan Garza
General Manager
Austin Energy