



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 11/16/2016

20SW25 - CenterPoint Energy Houston Electric, LLC

Agenda Item#:

Background:

Adopt an Ordinance approving a lease agreement with Center Point Energy Houston Electric, LLC for the attachment of City-owned equipment to CenterPoint poles.

Specific Explanation:

The City of Houston requires a lease agreement with Center Point Energy Houston Electric, LLC (CPE) to attach City-owned equipment to CPE streetlight and/or distribution poles to support current and future wireless-based applications. Wireless applications include WiMAX and Wi-Fi technology. These wireless applications enable efficient and effective remote meter reading of the approximately 295,000 metered water accounts currently on the fixed communications network and continued public community Wi-Fi access at 129 library locations. This lease is also a critical component to the future expansion of the fixed network to allow the remote reading of all of the approximately 500,000 metered water accounts in the City.

The proposed agreement is for an initial 10-year term, with three five-year options. The maximum spending authority for the first ten years is not to exceed \$3,802,281.65. Spending authority for the additional term options, if exercised, would require separate City Council action.

The City will procure and provide Center Point Energy Houston Electric, LLOC with a prepaid security deposit in the form of a performance bond or other acceptable instrument in the amount of \$250,000.00. This amount is included in the requested spending authority.

A previous lease agreement with CPE expired on December 14, 2014. Due to the negotiations requiring more time than anticipated, CPE provided continued use of its poles to the City to ensure continuity of services to our customers. Fees for these services during the interim period are based on the terms of the original lease agreement, total \$311,000.00 and are included in the requested spending authority.

Pay or Play Program:

Section 4.1 of Executive Order 1-7 states that Pay-or-Play applies to contracts for services, but does not apply to a contract in which the primary purpose is for the procurement of property, goods, supplies and /or equipment. No services are being provided by CenterPoint under this agreement.

M/WBE Subcontracting:

A zero percentage goal for MWBE participation was approved by the Office of Business Opportunity.

This item was presented to the Transportation, Technology and Infrastructure Committee on October 17, 2016.

A handwritten signature in black ink, appearing to read "Dale A. Rudick".

Dale A. Rudick, P.E., Director
Department of Public Works and Engineering

Estimated Spending Authority:

DEPARTMENT	FY17	Out Years	Total
Public Works & Engineering	\$843,738.64	\$2,958,543.01	\$3,802,281.65

Prior Council Action:

Ordinance Number 2009-1236; Dated December 2, 2009

Amount of Funding:

Maximum Contract Amount: \$3,802,281.65 – 10 years

Source of Funding: \$3,802,281.65 - Water and Sewer System Operating Fund (8300)

Contact Information:

Sherri Winslow

Phone: (832) 395-6377

ATTACHMENTS:

Description

Tax Report

OBO Forms

Ownership Information Forms

Procurement Justification Form

Listing of Officers

Prior Council Action

Funding Information

Type

Signed Cover sheet

Signed Cover sheet

Signed Cover sheet

Signed Cover sheet

Signed Cover sheet

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