



City of Austin

Recommendation for Action

File #: 26-2716, **Agenda Item #:** 18.

1/22/2026

Posting Language

Authorize amendments to two contracts for engineering services for the Austin Energy Staff Augmentation, Engineering, and Related Engineering Services for Electric Systems and Technical Services Rotation List with HDR Engineering, Inc., and Allegis Group Holdings, Inc., to increase the contract amounts by \$15,000,000, for revised total contract amounts not to exceed \$85,875,000. Funding: \$15,000,000 is available in the Capital Budget of Austin Energy.

Lead Department

Austin Financial Services.

Managing Department

Austin Financial Services.

Fiscal Note

Funding is available in the Capital Budget of Austin Energy.

Procurement Language:

Contract Amendment.

MBE / WBE:

This amendment will be awarded in compliance with City Code 2-9A (Minority-Owned and Women-Owned Business Enterprise Procurement Program). Current participation to date for HDR Engineering is 5.17% MBE and 2.73% WBE. Current participation to date for Allegis Group Holdings, Inc., is 24.59% MBE and 11.35% WBE.

Prior Council Action:

December 12, 2024 - Council authorized negotiation and execution of amendments to the professional services agreements for additional authorization with two firms (HDR Engineering, Inc., and Allegis Group Holdings, Inc.) for the AE Staff Augmentation, Engineering, and Related Engineering Services for Electric System Engineering and Technical Services Rotation List.

September 1, 2022 - Council authorized negotiation and execution of amendments to the professional services agreements for additional authorization with two firms ((HDR Engineering, Inc., and Allegis Group Holdings, Inc.), for the AE Staff Augmentation, Engineering, and Related Engineering Services for Electric System Engineering and Technical Services Rotation List.

June 10, 2021 - Council approved a professional service agreement with one firm (Allegis Group Holdings, Inc.) for the AE Staff Augmentation, Engineering, and Related Engineering Services for Electric System Engineering and Technical Services Rotation List.

March 4, 2021 - Council approved a professional service agreement with two firms (HDR Engineering, Inc., and Power Engineers, Inc.) for the AE Staff Augmentation, Engineering, and Related Engineering Services for

the Electric System Engineering and Technical Services Rotation List.

For More Information:

Direct questions regarding this Recommendation for Council Action to Austin Financial Services - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov or 512-974-2500.

Council Committee, Boards and Commission Action:

January 12, 2026 - Recommended by the Electric Utility Commission on an 11-0 vote.

November 18, 2024 - Recommended by the Electric Utility Commission on a vote of 9-0 with Commissioner Kirksey off the dais and Commissioner Chapman absent.

August 8, 2022 - Recommended by the Electric Utility Commission on a vote of 7-0 with Commissioner Hadden off the dais, Commissioners Bowen and Funkhouser absent, and one vacancy.

May 13, 2021 - Recommended by the Electric Utility Commission on a vote of 8-0, with Commissioners Ferchill, Funkhouser and Wray absent.

February 8, 2021 - Recommended by the Electric Utility Commission on a vote of 8-0, with Commissioners Ferchill, Funkhouser and Wray absent.

Additional Backup Information:

As a standard business practice, the City routinely engages the services of professional engineering firms to perform analysis, design, and support services associated with construction or improvement of City capital assets. Rotation List contracting allows the City to always have a group of qualified consultants available to perform a specific type of recurring work in a timely manner to meet the project and operational needs of the City.

Austin Energy uses this engineering services rotation list for Staff Augmentation, Engineering, and Related Engineering Services for Electric System Engineering and Technical Services. The professional services agreements for this rotation list are with the following two firms: HDR Engineering, Inc., and Allegis Group Holdings, Inc. The utilization of this contract has remained consistently high. Of the total \$70,875,000 in contract authority, less than \$13,000,000 remains available.

Over the past 12 months, this rotation list has averaged \$1.33 million per month in assignments with a recent spike in assignment requests. Austin Energy currently has over ten pending contracting requests, which are expected to draw significantly from the remaining contracting authority.

This rotation list provides staff augmentation and specialized engineering services to support Austin Energy's Electric System Engineering and Technical Services Division. The selected firms deliver staff augmentation, turnkey engineering solutions, and technical consultation across Austin Energy's Transmission, Substation, Distribution, Planning, and Network Engineering groups, including critical support services such as permitting, surveying, and right-of-way acquisition.

Austin Energy faces potential delays to critical transmission, distribution, and network projects due to limited engineering capacity. This threatens system reliability, regulatory compliance, and the ability to meet capital improvement projects including large-load interconnection requirements.

Additional contracting authority is urgently needed to maintain continuity of engineering services for long-term, multi-phase system upgrades. It allows Austin Energy to retain current consultants for ongoing projects,

ensuring consistent support and avoiding project disruptions. This request serves as a temporary solution to bridge the gap until the execution of a new engineering services contract is completed which is anticipated in June 2026.

Austin Energy's system reliability, regulation compliance, and the ability to meet capital improvement projects will be negatively impacted including delays to critical transmission, distribution, and networks due to limited engineering capacity if this amendment is not approved.