

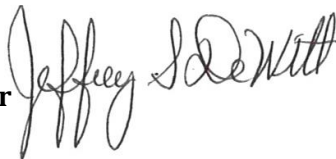
Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** June 18, 2019

**SUBJECT:** Fiscal Impact Statement – Power Line Undergrounding Program  
Certified Business Enterprise Utilization Act of 2019

**REFERENCE:** Bill 23-135, Draft Committee Print as shared with the Office of Revenue  
Analysis on June 7, 2019

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**Conclusion**

Funds are sufficient in the fiscal year 2019 budget and the proposed fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill.

**Background**

The DC Powerline Undergrounding (DC PLUG) program is a public-private partnership between the District and Pepco to relocate underground electricity feeder lines that are currently attached to utility poles. The goal of the DC PLUG program is to increase the reliability of service for District residents by reducing outages caused by severe weather.

The bill updates the Council's finding that the Mayor should make every practical effort to award 100 percent of DC PLUG program-related construction contracts to District firms<sup>1</sup> to more specifically award the contracts to certified business enterprises and certified joint ventures (collectively CBEs).<sup>2</sup> The bill also requires the District to solicit for any architectural and engineering contracts required for the DC PLUG program in the same manner it does for other architectural and engineering

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<sup>1</sup> Electric Company Infrastructure Improvement Financing Act of 2014, effective May 3, 2014 (D.C. Law 20-102; D.C. Official Code § 34-1311.02(7)).

<sup>2</sup> Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, effective October 20, 2005 (D.C. Law 16-33; D.C. Official Code § 2-218.02(1D) and (1E)).

The Honorable Phil Mendelson

FIS: Bill 23-135, "Power Line Undergrounding Program Certified Business Enterprise Utilization Act of 2019,"  
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contracts in the District: through a request for qualifications process with an architect-engineer evaluation board review process.<sup>3</sup> The bill allows the District to set aside some or all of these contracts for CBEs or award preference points to CBEs during the qualification evaluation process.

These updates and requirements are currently in effect under temporary legislation approved in 2018.<sup>4</sup>

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2019 budget and the proposed fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The District has included approximately \$181 million in its seven-year capital plan<sup>5</sup> to pay for the DC PLUG program. The goal of increased CBE participation, both generally and through set asides and preference points, does not change the budgeted amounts for the DC PLUG program. The bill does not require the District to use CBEs, but any efforts that narrow the list of eligible contractors could potentially increase the cost or timelines of any project component and the budgeted \$181 million could result in fewer miles of power lines relocated underground.

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<sup>3</sup> Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371; D.C. Official Code § 2-356.04).

<sup>4</sup> Power Line Undergrounding Program Certified Business Enterprise Utilization Temporary Act of 2019, effective April 11, 2019 (D.C. Law 22-306; 66 DCR 5538).

<sup>5</sup> This includes \$30 million in the current fiscal year 2019 capital budget and \$151 million over the proposed fiscal year 2020 through fiscal year 2025 6-year capital improvements plan.