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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

Date of Report (Date of earliest event reported): FEBRUARY 12, 1999

QUANTA SERVICES, INC.
(Exact name of registrant as specified in its charter)

COMMISSION FILE NUMBER: 1-13831

<TABLE>
<S> <C>

DELAWARE	74-2851603
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

</TABLE>

1360 POST OAK BLVD., SUITE 2100
HOUSTON, TEXAS 77056
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (713) 629-7600

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As indicated in the Registrant's Form 8-K as filed with the Securities and Exchange Commission on February 26, 1999, the financial and pro forma financial information required to be filed therewith would be filed not later than April 27, 1999. Accordingly, Items 7(a) and 7(b) of the Form 8-K are hereby amended to read in their entirety as follows:

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

a. Pro forma financial information

The following Unaudited Pro Forma Combined Financial Statements of Quanta Services, Inc. and Subsidiaries are attached hereto and made a part hereof:

(i) Basis of Presentation

(ii) Unaudited Pro Forma Combined Balance Sheet

(iii) Notes to Unaudited Pro Forma Combined Balance Sheet

(iv) Unaudited Pro Forma Combined Statement of Operations for the Year Ended December 31, 1998

(v) Notes to Unaudited Pro Forma Combined Statement of Operations

b. Financial Statements of business acquired.

The following Financial Statements of Northern Line Layers, Inc. as of December 31, 1998 are attached hereto and made a part hereof:

(i) Report of Independent Public Accountants

(ii) Combined Balance Sheet

(iii) Combined Statement of Operations

(iv) Combined Statement of Stockholders' Equity

(v) Combined Statement of Cash Flows

(vi) Notes to Combined Financial Statements

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

QUANTA SERVICES, INC.

Date: April 23, 1999

By: /s/ BRAD EASTMAN

Brad Eastman

Vice President, Secretary and General Counsel

INDEX TO FINANCIAL STATEMENTS

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QUANTA SERVICES, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

BASIS OF PRESENTATION

The unaudited pro forma combined balance sheet gives effect to the acquisition by Quanta Services, Inc. and Subsidiaries ("Quanta" or the "Company") of Northern Line Layers, Inc. which was acquired subsequent to December 31, 1998 as if it had occurred on December 31, 1998. The unaudited pro forma combined statement of operations give effect to this transaction as if it had occurred on January 1, 1998.

The pro forma adjustments are based on preliminary estimates, available information and certain assumptions that Quanta's management deems appropriate and may be revised as additional information becomes available. The pro forma financial data do not purport to represent what Quanta's financial position or results of operations would actually have been if the acquisition of Northern Line Layers, Inc. in fact had occurred on those dates and are not necessarily representative of Quanta's financial position or results of operations for any future period. Since the acquired company was not under common control or management during the period covered by the pro forma financial statements, historical combined results may not be comparable to, or indicative of, future performance. The unaudited pro forma combined financial statements should be read in conjunction with the other financial statements and notes thereto included elsewhere in this filing, as well as information included in Quanta's Form 10-K for the year ended December 31, 1998.

QUANTA SERVICES, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED BALANCE SHEET

DECEMBER 31, 1998

(IN THOUSANDS)

<TABLE>
<CAPTION>

	QUANTA SERVICES, INC. AND SUBSIDIARIES	NORTHERN LINE LAYERS, INC.	PRO FORMA ADJUSTMENTS(A)	PRO FORMA TOTAL
<S>	<C>	<C>	<C>	<C>
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 3,246	$ 2,757	$ --	$ 6,003
Accounts receivable, net	71,992	8,100	--	80,092
Cost and estimated earnings in excess of billings on uncompleted contracts	22,620	455	--	23,075
Inventories	2,534	--	--	2,534
Prepaid expenses and other current assets	4,337	--	--	4,337
Total current assets	104,729	11,312	--	116,041
PROPERTY AND EQUIPMENT, net	74,165	3,684	--	77,849
OTHER ASSETS	5,177	59	--	5,236
GOODWILL, net	150,887	--	29,079	179,966
Total assets	$334,958	$15,055	$29,079	$379,092
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Current maturities of long-term debt	$ 3,786	$ 910	$ --	$ 4,696
Accounts payable and accrued expenses	38,031	5,901	--	43,932
Billings in excess of costs and estimated earnings on uncompleted contracts	7,031	139	--	7,170
Total current liabilities	48,848	6,950	--	55,798
LONG-TERM DEBT, net of current maturities	60,201	549	22,384	83,134
CONVERTIBLE SUBORDINATED NOTES	49,350	--	--	49,350
DEFERRED INCOME TAXES AND OTHER NON-CURRENT LIABILITIES	6,261	--	--	6,261
COMMITMENTS AND CONTINGENCIES				
STOCKHOLDERS' EQUITY:				
Preferred Stock	--	--	--	--
Common Stock	--	--	--	--
Limited Vote Common Stock	--	--	--	--
Treasury Stock	--	(240)	240	--
Unearned ESOP shares	(1,831)	--	--	(1,831)
Additional paid-in capital	145,151	197	14,054	159,402
Retained earnings	26,978	7,599	(7,599)	26,978
Total stockholders' equity	170,298	7,556	6,695	184,549
Total liabilities and stockholders' equity	$334,958	$15,055	$29,079	$379,092

</TABLE>

The accompanying notes are an integral part of these pro forma combined financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA COMBINED BALANCE SHEET

(A) These adjustments reflect the purchase of Northern Line Layers, Inc. that was consummated on February 16, 1999, including approximately $22,384,000 of debt incurred under Quanta's line of credit to finance the cash portion of the purchase price paid upon acquisition and approximately 667,000 shares issued.

QUANTA SERVICES, INC. AND SUBSIDIARIES

UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1998

(IN THOUSANDS, EXCEPT PER SHARE INFORMATION)

<TABLE>
<CAPTION>

<S>	QUANTA SERVICES, INC. AND SUBSIDIARIES <C>	NORTHERN LINE LAYERS, INC. <C>	PRO FORMA ADJUSTMENTS <C>	PRO FORMA TOTAL <C>
REVENUES	$309,209	$46,744	$ --	$355,953
COST OF SERVICES (including depreciation)	249,195	34,315	--	283,510
Gross Profit	60,014	12,429	--	72,443
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	26,418	5,437	55(a)	31,910
MERGER EXPENSES -- Pooling	231	--	--	231
GOODWILL AMORTIZATION	2,513	--	727(b)	3,240
Income (loss) from Operations	30,852	6,992	(782)	37,062
OTHER INCOME (EXPENSE)				
Interest Expense	(4,635)	(131)	(1,567)(c)	(6,333)
Other, net	641	512	--	1,153
INCOME (LOSS) BEFORE INCOME TAX EXPENSE	26,858	7,373	(2,349)	31,882
PROVISION FOR INCOME TAXES	11,683	--	2,345(d)	14,028
NET INCOME (LOSS)	$ 15,175	$ 7,373	$(4,694)	$ 17,854
BASIC EARNINGS PER SHARE				$ 0.97
DILUTED EARNINGS PER SHARE				$ 0.95
DILUTED EARNINGS PER SHARE BEFORE MERGER EXPENSES				$ 0.96
SHARES USED IN COMPUTING PRO FORMA COMBINED EARNINGS PER SHARE --				
BASIC(e)				18,313
DILUTED(e)				19,333

</TABLE>

The accompanying notes are an integral part of these pro forma combined financial statements.

QUANTA SERVICES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED PRO FORMA COMBINED STATEMENT OF OPERATIONS

(a) Adjusts compensation expense to the level the previous owners of Northern Line Layers, Inc. have agreed to receive as employees of the Company subsequent to their acquisition.

(b) Adjusts amortization expense to reflect purchase price allocations on Northern Line Layers, Inc.

(c) Records incremental interest expense on the debt incurred to effect the purchase of Northern Line Layers, Inc.

(d) Reflects the incremental provision for providing federal income taxes on Northern Line Layers, Inc., which was previously taxed as an S corporation, as well as federal and state income taxes relating to the pro forma income statement adjustments.

(e) The computation of pro forma basic and diluted earnings per share for the year ended December 31, 1998 is based upon the historical weighted average shares of common stock outstanding at December 31, 1998, adjusted for the issuance of 666,948 shares related to the acquisition of Northern Line Layers, Inc.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To Northern Line Layers, Inc.:

We have audited the accompanying combined balance sheet of Northern Line Layers, Inc., a Montana corporation, as of December 31, 1998, and the related combined statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Northern Line Layers, Inc., as of December 31, 1998, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

ARTHUR ANDERSEN LLP
Houston, Texas
March 19, 1999

NORTHERN LINE LAYERS, INC.

COMBINED BALANCE SHEET
DECEMBER 31, 1998

ASSETS

<TABLE>

<S>	<C>
CURRENT ASSETS:	
Cash	$ 2,756,582
Accounts receivable --	
Trade, net of allowance of $150,000	5,552,679
Retainage	2,299,386
Other receivables	248,711
Costs and estimated earnings in excess of billings on uncompleted contracts	454,562
Total current assets	11,311,920
PROPERTY AND EQUIPMENT, net	3,683,978
OTHER ASSETS, net	58,800
Total assets	$15,054,698

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:	
Current maturities of long-term obligations	$ 910,371
Accounts payable and accrued liabilities	5,901,276
Billings in excess of costs and estimated earnings on uncompleted contracts	138,823
Total current liabilities	6,950,470
LONG-TERM OBLIGATIONS, net of current maturities	548,839
COMMITMENTS AND CONTINGENCIES	
STOCKHOLDERS' EQUITY:	
Common stock, no par value, 50,000 shares authorized, 23,700 shares issued and 16,700 shares outstanding	--
Additional paid-in capital	196,882
Retained earnings	7,598,507
Treasury stock, 7,000 shares, at cost	(240,000)
Total stockholders' equity	7,555,389
Total liabilities and stockholders' equity	$15,054,698

</TABLE>

The accompanying notes are an integral part of these combined financial statements.

NORTHERN LINE LAYERS, INC.

COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1998

REVENUES	$46,743,617
COSTS OF SERVICE (including depreciation)	34,315,158
Gross profit	12,428,459
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,436,682
Income from operations	6,991,777
OTHER INCOME (EXPENSE):	
Interest expense	(131,167)
Other income, net	511,990
Other income (expense), net	380,823
NET INCOME	$ 7,372,600

The accompanying notes are an integral part of these combined financial statements.

NORTHERN LINE LAYERS, INC.

COMBINED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1998

	COMMON STOCK SHARES	COMMON STOCK AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TREASURY STOCK, AT COST	TOTAL
BALANCE, December 31, 1997	23,700	$ --	$101,882	$ 6,189,395	$(240,000)	$ 6,051,277
Distributions to stockholders	--	--	--	(5,963,488)	--	(5,963,488)
Net income	--	--	--	7,372,600	--	7,372,600
Contribution from stockholder	--	--	95,000	--	--	95,000
BALANCE, December 31, 1998	23,700	$ --	$196,882	$ 7,598,507	$(240,000)	$ 7,555,389

The accompanying notes are an integral part of these combined financial statements.

NORTHERN LINE LAYERS, INC.

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 1998

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 7,372,600
Adjustments to reconcile net income to net cash provided by operating activities --	
Depreciation and amortization expense	687,545
Loss on sale of assets	20,942
Other	61,598
Changes in operating assets and liabilities, net of noncash transactions --	
Trade receivables	(2,516,193)
Retainage	(852,481)
Other receivables	(60,099)
Other assets, net	67,226
Costs and estimated earnings in excess of billings on uncompleted contracts	301,912
Accounts payable and accrued liabilities	2,975,071
Billings in excess of costs and estimated earning on completed contracts	(154,542)

Net cash provided by operating activities	7,903,579
CASH FLOWS FROM INVESTING ACTIVITIES:	
Return of equity in joint venture from lawsuit settlement	424,787
Proceeds from note receivable from stockholder	308,000
Proceeds from sale of property and equipment	704,931
Purchases of property and equipment	(2,377,614)
Net cash used in investing activities	(939,896)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from issuance of long-term obligations	515,469
Principal payments on long-term obligations	(676,706)
Distributions to stockholders	(5,963,488)
Net cash used in financing activities	(6,124,725)
NET INCREASE IN CASH	838,958
CASH, beginning of year	1,917,624
CASH, ending of year	$ 2,756,582
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:	
Cash paid during the year for interest	$ 87,121
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS:	
Contribution from stockholder from forgiveness of note payable to stockholder	$ 95,000

</TABLE>

The accompanying notes are an integral part of these combined financial statements.

NORTHERN LINE LAYERS, INC.

NOTES TO COMBINED FINANCIAL STATEMENTS

1. BUSINESS AND ORGANIZATION:

Northern Line Layers, Inc. (Northern), a Montana Subchapter S Corporation, is primarily engaged in the installation of telephone fiber optic lines and buried cables in the continental United States. Northern performs a majority of its contract work under fixed-price and unit-price contracts, with contract terms generally ranging from six to 18 months.

Lakota Iron Company, LLC (Lakota), a Montana limited liability company, is composed primarily of assets and related liabilities that are leased to Northern for use in its business. Both Northern and Lakota are under common control and ownership. In December 1998, Northern acquired all of the outstanding stock of Lakota through the exchange of 2,700 shares of Northern common stock. For accounting purposes, the combination was treated as an exchange of interests in companies under common control in a manner similar to a pooling of interests.

Hereinafter, Northern and Lakota will be referred to as "the Company."

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Principles of Combination

The accompanying financial statements include the combined accounts and results of operations of Northern and Lakota. All significant intercompany accounts and transactions have been eliminated.

Accounts Receivable and Allowance for Doubtful Accounts

The Company provides an allowance for doubtful accounts based upon the specific identification of accounts receivable where collection is no longer deemed probable and an allowance based upon the level of total accounts receivable balances.

Property and Equipment

Property and equipment are stated at cost, and depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are capitalized and amortized over the lesser of the lease term or the estimated useful life of the asset. Depreciation and amortization expense was $647,545 for the year ended December 31, 1998.

Expenditures for repairs and maintenance are charged to expense when incurred. Expenditures for major renewals and betterments, which extend the useful lives of existing equipment, are capitalized and depreciated. Upon retirement or disposition of property and equipment, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the statement of operations.

Noncompete Agreement

In January 1995, the Company repurchased 7,000 shares from a former stockholder of the Company at a fair value of $240,000 and recorded the shares at cost in treasury. In connection therewith, the Company entered into a five-year noncompete agreement with the former stockholder for $200,000, which is being paid over five years. The noncompete agreement is being amortized over its useful life using the straight-line method. Accumulated amortization at December 31, 1998, was $156,667. The noncompete agreement is included in other assets in the accompanying combined balance sheet at December 31, 1998.

Revenue Recognition

The Company recognizes revenue when services are performed, except when work is being performed under a fixed-price contract. Such contracts generally provide that the customer accept completion of progress

to date and compensate the Company for services which have been rendered, measured typically in terms of units installed, hours expended or some other measure of progress. Revenues from fixed-price contracts are recognized on the percentage-of-completion method, measured by the percentage of costs incurred to date to total estimated costs for each contract. Contract costs include all direct material, labor and subcontract costs and those indirect costs related to contract performance, such as indirect labor, supplies, tools, repairs and depreciation costs. Provisions for the total estimated losses on uncompleted contracts are made in the period in which such losses are determined. Changes in job performance, job conditions, estimated profitability and final contract settlements may result in revisions to costs and income, and their effects are recognized in the period in which the revisions are determined.

The balances billed but not paid by customers pursuant to retainage provisions in fixed-price contracts will be due upon completion of the contracts and acceptance by the customer. Based on the Company's experience with similar contracts in recent years, the retention balance at each balance sheet date will be collected within the subsequent fiscal year.

The current asset "Costs and estimated earnings in excess of billings on uncompleted contracts" represents revenues recognized in excess of amounts billed. The current liability "Billings in excess of costs and estimated earnings on uncompleted contracts" represents billings in excess of revenues recognized.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash, accounts receivable, accounts payable and long-term obligations. The Company believes that the carrying value of these instruments on the accompanying combined balance sheet approximates their fair value.

Income Taxes

The Company has elected S Corporation status as defined by the Internal Revenue Code, whereby the Company is not subject to taxation for federal purposes. Under S Corporation status, the stockholders report their shares of the Company's taxable earnings or losses in their personal tax returns. The Company terminated its S Corporation status concurrently with the effective date of its acquisition by Quanta (see Note 10).

Collective Bargaining Agreements

The Company is a party to various collective bargaining agreements with certain of its employees. The agreements require the Company to pay specified wages and provide certain benefits to its union employees. These agreements expire in 1999.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions by management in determining the reported amounts of assets and liabilities, disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Reference is made to the "Revenue Recognition" section of this footnote for discussion of certain estimates reflected in the Company's financial statements.

3. DETAIL OF CERTAIN BALANCE SHEET ACCOUNTS:

Property and equipment at December 31, 1998, consists of the following:

<TABLE>
<CAPTION>

	ESTIMATED USEFUL LIVES IN YEARS	
<S>	<C>	<C>
Machinery and equipment	3-8	$ 4,642,628
Transportation equipment	3-5	1,144,313
Office furniture and equipment	5-10	467,778
Leasehold improvements	5-15	80,519
		6,335,238
Less-Accumulated depreciation and amortization		(2,651,260)
Property and equipment, net		$ 3,683,978

</TABLE>

Accounts payable and accrued liabilities at December 31, 1998, consist of the following:

<TABLE>

<S>	<C>	<C>
Accounts payable, trade		$ 4,072,886
Accrued compensation and benefits		1,673,948
Other accrued liabilities		154,442
		$ 5,901,276

</TABLE>

Contracts in progress at December 31, 1998, are as follows:

<TABLE>

<S>	<C>	<C>
Costs incurred on contracts in progress		$ 25,749,499
Estimated earnings, net of losses		6,183,442
		31,932,941
Less-Billings to date		(31,617,202)
		$ 315,739
Costs and estimated earnings in excess of billings on uncompleted contracts		$ 454,562
Less-Billings in excess of costs and estimated earnings on uncompleted contracts		(138,823)
		$ 315,739

</TABLE>

4. LINE OF CREDIT AND LONG-TERM OBLIGATIONS:

Line of Credit

The Company has a $2 million line-of-credit agreement with a bank (the Credit Facility), bearing interest at the bank prime rate (7.75 percent at December 31, 1998) plus .25 percent. The Credit Facility is secured by the Company's cash, accounts receivable and certain property and equipment. There was no balance outstanding on the Credit Facility at December 31, 1998, and the Credit Facility matures on December 31, 2002.

Long-Term Obligations

The Company's long-term obligations at December 31, 1998, consisted of the following:

<TABLE>

<S>	<C>
Notes payable to a bank, variable interest rate at the prime	

rate (7.75 percent at December 31, 1998) plus .75 percent, payable in 17 equal monthly payments of principal and interest starting in July 1999 and final payment on December 31, 2001	$ 719,469
Notes payable to a bank, 7.77% interest rate, due in installments of $41,667, including interest, with maturity on December 31, 2000, secured by equipment	499,998
9.0% Note payable, due in monthly installments of $823, including interest, final payment on November 6, 2001, secured by a vehicle	25,238
9.0% Note payable, due in monthly installments of $792, including interest, final payment in December 2001, secured by a vehicle	24,295
12.5% Note payable, due in monthly installments of $1,994, including interest, final payment in July 2000, secured by a vehicle	32,577
12.48% Note payable, due in monthly installment of $1,100, including interest, final payment in August 2001, secured by a vehicle	29,263
15.0% Note payable, due in monthly installments of $5,009, including interest, final payment in February 2000	71,103
Covenant not to compete, due in monthly installments of $3,333, five-year agreement with final payment in February 2000	43,333
Other	13,934
	1,459,210
Less-Current maturities	(910,371)
Total long-term obligations	$ 548,839

</TABLE>

The line of credit and notes payable to a bank are subject to certain financial reporting and financial covenant requirements. At December 31, 1998, the Company was in compliance with all debt covenants.

Maturities of long-term obligations as of December 31, 1998, are as follows:

<TABLE>

<S>	<C>
Year ending December 31-	
1999	$ 910,371
2000	535,203
2001	13,637
	$1,459,211

</TABLE>

5. EMPLOYEE BENEFIT PLAN:

The Company established a 401(k) tax-deferred savings plan which covers substantially all qualifying employees. Through the plan, employees may contribute up to the maximum dollar amount as determined by the Internal Revenue Service of their earnings through payroll deductions. The Company contributes, on behalf of the employees, 50 percent of the employee's contribution, to a maximum of 6 percent of the employee's salary. An employee is 100 percent vested after five years of credited service. For the year ended December 31, 1998, the Company contributed $72,105.

6. MAJOR CUSTOMERS AND CONCENTRATION OF CREDIT RISK:

During 1998, the Company had greater than 10 percent of total sales to three customers, which accounted for 19 percent, 49 percent and 17 percent, respectively, of the Company's revenues. Approximately 27 percent, 59 percent and zero percent of trade and retainage receivables at December 31, 1998, are due from each of these customers, respectively.

The Company grants credit, generally without collateral, to its customers, which include real estate operators, general contractors and state and regulatory agencies located throughout the continental United States. Consequently, the Company is subject to potential credit risk related to changes in business and economic factors within these areas. However, management believes that its contract acceptance, billing and collection policies are adequate to minimize the potential credit risk.

7. RELATED-PARTY TRANSACTIONS:

During 1998, a note receivable was recorded for a loan to a relative of the stockholders. The balance at December 31, 1998, was $95,148 and is reflected in other receivables in the accompanying December 31, 1998, combined balance sheet. Subsequent to year-end, the note receivable was collected. During 1998, the Company wrote off a note receivable from a former stockholder of the Company for $61,598 when it was deemed uncollectible. Such amount is recorded in selling, general and administrative expenses in the accompanying combined statement of operations.

The Company leases buildings, land and other equipment from affiliates of the Company in which some of the stockholders hold common ownership. Related-party rent expense for the year ended December 31, 1998, was $103,000.

8. LAWSUIT SETTLEMENT:

During 1996, the Company owned a 50 percent interest in a joint venture formed to perform a construction project in New Mexico. The joint venture was accounted for on the equity basis, and the Company's investment in the joint venture was $424,487 at December 31, 1997. The contract was completed in 1996, and during the course of the project the job was shut down for an extended length of time due to customer delays. As a result, the joint venture incurred significant damages, including idle crew time, and filed litigation against the customer for damages during 1997. In September 1998, the joint venture reached a settlement with the customer. In connection therewith, the Company received approximately $425,000 representing the Company's equity investment balance in the joint venture and approximately $416,000 representing liquidating damages. The liquidating damages are included in other income in the accompanying combined statement of operations.

9. COMMITMENTS AND CONTINGENCIES:

Leases

The Company leases certain equipment under long-term operating lease agreements which expire in various years through 2014. Rent expense for the year ended December 31, 1998, was $780,559. The minimum lease payments for operating leases in future years are as follows:

<TABLE>

<S>	<C>
Year ending December 31 --	
1999	$ 341,482
2000	261,122
2001	170,159
2002	138,000
2003	138,000
Thereafter	1,518,000
Total	$2,566,763

</TABLE>

Litigation

The Company is involved in disputes or legal actions arising in the ordinary course of business. Management does not believe the outcome of such legal actions will have a material adverse effect on the Company's financial position or results of operations.

Insurance

The Company carries a broad range of premium-based insurance coverage, including workers' compensation, business auto liability, general liability and an umbrella policy.

Performance Bonds

In certain circumstances, the Company is required to provide performance bonds in connection with its contract commitments which are personally guaranteed by certain stockholders of the Company.

10. SUBSEQUENT EVENT:

In February 1999, the Company was acquired by Quanta Services, Inc.

Prior to the closing of the transaction discussed above, the Company distributed approximately $3.8 million to stockholders. The distribution consisted of cash and in kind assets of $3.6 million and $0.2 million, respectively. The Company funded the cash portion of the distribution through bank borrowings.

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT NO.	DESCRIPTION
<C>	<S>
23.1	-- Consent of Independent Public Accountants

</TABLE>

- ---------------

Filed herewith

EXHIBIT 23.1

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the use of our report on the combined financial statements of Northern Line Layers, Inc. dated March 19, 1999 in this Current Report on Form 8-K/A of Quanta Services, Inc. and to the incorporation by reference of said report into Quanta Services, Inc.'s previously filed Registration Statements on Form S-8 (File Nos. 333-47069 and 333-56849).

ARTHUR ANDERSEN LLP

Houston, Texas
April 21, 1999