

AGENDA



Thursday, April 10, 2008

**Austin Water Utility
RECOMMENDATION FOR COUNCIL ACTION****Item No. 7**

Subject: Approve an ordinance authorizing negotiation and execution of an amendment to the existing Cost Reimbursement Agreement with SCA 101 Onion Creek Holdings, L.P., to increase the amount of City cost reimbursement for construction of 24 and 36-inch water main and appurtenances for the Alexan Onion Creek by \$75,302 for actual “hard” construction costs, with a new maximum “hard” construction cost amount not to exceed \$759,302; increase the amount of City cost reimbursement for professional services “soft” costs by \$38,295, for an amount not to exceed 15% of the actual “hard” construction costs of the 36-inch water main and appurtenances or \$113,895, whichever is less for an overall total additional maximum amount not to exceed \$113,597; and waiving City Code Sections 25-9-61 and 25-9-63 relating to the maximum amount of cost reimbursement, and waiving an additional \$2,652 of construction inspection and review fees established in Ordinance 20070910-008.

Amount and Source of Funding: Funding is available in the Fiscal Year 2007-2008 Capital Budget of the Austin Water Utility.

Fiscal Note: A fiscal note is attached.

For More Information: Seyed Miri, P.E. 972-0202; Denise Avery 972-0104

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

Prior Council Action: Originally approved by Council on 12-15-05, Ordinance No. 20051215-003

Alexan Onion Creek is a multi-family development located at 10701 I.H. 35 South (the “Property”) inside the corporate limits of Austin. SCA 101 Onion Creek Holdings, L.P., (the “Developer”) previously submitted Service Extension Request Number 2457, requesting the extension of City water utility service to the Property, which is within the Desired Development Zone and the Slaughter Creek Watershed. The City Council approved the negotiation and execution of a cost reimbursement agreement with the Developer, on December 15, 2005, with City cost reimbursement not to exceed \$684,000.00 for actual hard construction costs for construction of a 24 and 36-inch water main to serve the Property and the area. The estimated construction cost for the 24 and 36-inch water mains were developed on conceptual engineering and planning documents during the review of the Service Extension Request.

The bids for the 24 and 36 water mains and appurtenances were opened November 29, 2007. The lowest bid received and certified by the City was \$723,145.00, which is \$39,145.00 over the original \$684,000.00 cost estimate.

The proposed amendment to the Water Cost Reimbursement Agreement would increase the maximum “hard” cost reimbursement for the actual construction costs of the 24 and 36-inch water main and appurtenances constructed within public right-of-way or easements from \$684,000.00 to \$759,302.00. The \$759,302.00 covers the actual low bid amount plus it includes a 5% contingency. The proposed amendment will increase the maximum “soft” costs for engineering, design and project management of the 36-inch water main and appurtenances constructed within public right-of-way or easements from \$75,600.00 to \$113,895.00, or 15% of the actual construction costs of the 36-inch water main and appurtenances, whichever is less.

Council in its December 15, 2005 action on this matter waived City Code provisions to allow for cost reimbursement to exceed the maximum amount set by the City Code. Because of the proposed increase in the amount of cost reimbursement, Council is requested again to waive the limits on the maximum reimbursement amount by waiving Sections 25-9-61 and 25-9-63 of the City Code. As this action will also increase the reimbursement of soft costs on the 36-inch water main, Council is requested to again waive the requirement in City Code Section 25-9-63 that cost reimbursement be limited to actual construction costs.

Under the original Council approval, \$27,720.00 was waived for the construction inspection and review fees. Based on the new construction cost estimate, the Developer is requesting a waiver from City Ordinance 20070910-008, for the additional fees of \$2,652.00.