

AGENDA



Wednesday, June 18, 2008

Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION

Item No. 18

Subject: Authorize negotiation and execution of a professional services agreement with STANLEY CONSULTANTS, INC., Austin, TX, for engineering services relative to the construction phase services of the 3-million gallon elevated Avery Ranch Reservoir in an amount not to exceed \$470,057.

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, Robin Field, 974-7064

MBE/WBE: This contract was originally approved as a cost re-imbursement in 1999 and as such was in compliance with Chapter 2-9B of the City Code Minority-Owned and Women-Owned Business Enterprise Procurement Program.

Boards and Commission Action: Scheduled for review by the Water and Wastewater Commission on June 18, 2008.

Prior Council Action: Avery Ranch Cost Reimbursement Agreement originally approved by Council on November 4, 1999, Ordinance No. 991104-68-B

The City Council approved the negotiation and execution of a cost reimbursement agreement with the developers of Avery Ranch, on November 4, 1999, with City cost reimbursement not to exceed \$15,600,000 for the actual hard construction costs of approximately 36,000 linear feet of 24, 30, 36 and 48-inch water mains and appurtenances, and an appropriately sized elevated water reservoir to provide service to the Property (approximately 1,700 acres of mixed-use development located north of R.R. 620 and east and west of West Parmer Lane/F.M. 437, and south of Brushy Creek) and surrounding area. The original Council action also approved, as part of the \$15,600,000, cost reimbursement for all "soft" costs for design, financing, accounting, project management, and legal services associated with the construction of the 36-inch water main and appurtenances and the appropriately sized elevated water reservoir.

The City of Austin executed the Cost Reimbursement Agreement (the "Agreement") with the developers of Avery Ranch on June 4, 2000.

The proposed water improvements were to be constructed in discrete phases as the development progressed. All of the water improvements, with the exception of the elevated water reservoir, have been constructed by the developers of Avery Ranch or are under construction by others. At the time the water improvements were planned during the Service Extension Request review, the Utility felt that the elevated water reservoir would not be needed for a number of years and that it could be constructed under a future Capital Improvement Project. However, because of exceptional growth within Avery Ranch development and northwest Austin, the elevated water reservoir is now needed sooner than originally anticipated. The Utility requested the developers of Avery Ranch to initiate the design and construction of the elevated

water reservoir in early 2007. The design has now been completed and construction is anticipated to be started by the summer of 2008.

The construction costs for the elevated water reservoir are estimated at \$8,000,000. The Agreement allows for the cost reimbursement of all soft costs associated with the design and construction of the elevated water reservoir. The developers of Avery Ranch have estimated that should they have to construct the elevated water reservoir, the cost of borrowing \$8,000,000 would add an additional \$400,000 to \$600,000 in finance cost to the reimbursable soft costs. To avoid spending this additional amount of money, the City informed the developers of Avery Ranch, that the City will construct the elevated water reservoir as part of our Capital Improvement Projects.

Per a provision within the Agreement the City has the option of procuring the design of the elevated water reservoir from the developers of Avery Ranch. The City is currently in the process of obtaining the approved design, construction plans, and specifications. The approved design, construction plans, and specifications were completed by Stanley Consultants, Inc., and the Utility is requesting to retain Stanley Consultants, for the needed construction phase service associated with the elevated water reservoir.

Stanley Consultants, Inc., is the engineer of record and responsible for the completion of construction in accordance with the approved plans and specifications. It is unlikely that on a project of this scale, that a third-party engineer would use another engineer's drawings which includes accepting liability for construction under those drawings. It is anticipated that if the City hired another engineer to oversee construction that they would require the use of their own drawings, with the result that the City would get no value from purchasing the design. Staff believes that to obtain the services of another professional consulting firm would delay the project and require considerable expenditures above what is being requested. In addition, the specialized engineering, testing and construction monitoring limit the opportunity for minority participation.

Due to the complex nature of the construction work to be performed, it is essential to retain the design engineer for construction phase services in order to ensure the quality of the final constructed product. For this reason, it has been determined that Stanley Consultants, Inc. is the most qualified firm to perform the construction phase engineering services for this project. This request allows for the development of a professional service agreement with Stanley Consultants and provides for the funding of the construction phase services which will include construction administration, construction observation and construction material testing during the duration of the project. Services will be provided by Stanley Consultants and its sub-consultant Klienfelder.