



**Cost Reimbursement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 6  
**AGENDA DATE:** Thu 08/26/2004  
**PAGE:** 1 of 3

**SUBJECT:** Authorize negotiation and execution of a cost reimbursement agreement with Catellus Austin, LLC ("Catellus"), providing terms and conditions for reimbursement to Catellus of the actual soft costs incurred for design and construction phase services in an amount not to exceed: (a) \$140,403, for the 16-inch water main and appurtenances to be constructed in Cameron Road; (b) \$55,217, for the 15-inch gravity wastewater main and appurtenances to be constructed in Airport Boulevard to serve a portion of the Robert Mueller Municipal Airport Redevelopment (RMMA), for a total cost reimbursement amount not to exceed \$195,620; adopt an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement; waiving the requirements of Section 25-9-67, of the City Code relating to cost reimbursement payments and rescinding the previous authorizations for Cost Reimbursements Agreements with Catellus for the 16-inch water line and the 15-inch gravity wastewater line.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$195,620 is included in the Fiscal Year 2003-2004 Capital Budget of the Austin Water Utility.

**FISCAL NOTE:** A fiscal note is attached.

**REQUESTING** Austin Water Utility  
**DEPARTMENT:**

**DIRECTOR'S**  
**AUTHORIZATION:** Chris Lippe

**FOR MORE INFORMATION CONTACT:** Reynaldo Cantu, 972-0240; Laura Wiley, 972-0104

**PRIOR COUNCIL ACTION:** Original agreement approved on 6-12-03, Ordinance No. 030612-9 and 12-4-03, Ordinance No. 031204-3.

**BOARD AND COMMISSION ACTION:** Recommended by the Water and Wastewater Commission

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To improve water and wastewater services to the RMMA redevelopment project, the City Council approved water and wastewater cost reimbursement agreements with Catellus. Council originally approved the negotiation and execution of a water cost reimbursement agreement with Catellus, on June 12, 2003, that allowed for the cost reimbursement of the actual "hard" construction costs in an amount not to exceed \$594,000.00, and "soft" costs for engineering, design and construction project management in an amount not to exceed 15% of the actual "hard" construction cost or \$89,100.00, whichever is less. Council also approved the negotiation and execution of a wastewater cost reimbursement agreement with Catellus on December 4, 2003, that allowed for the reimbursement of actual "hard" construction costs in an amount not to exceed \$360,000.00, and "soft" costs for engineering, design and construction project management in an amount not to exceed 15% of the actual "hard" construction cost or \$54,000.00, whichever is less. The proposed water and wastewater improvements are designed to serve a portion of the redevelopment within the old Robert Mueller Municipal Airport site.

During the negotiation of the proposed reimbursement agreements, the City realized that it is in the City's best interest to manage the construction contracts directly, including making construction payments directly to the selected construction contractors, rather than by the hard-cost reimbursement method through Catellus. Therefore, this Council request would authorize this change in approach for these service extension reimbursement agreements in lieu of the arrangements described above.



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The water and wastewater improvements have been designed under the Catellus water and wastewater reimbursement concept. The construction of the proposed improvements will now be bid and awarded directly by the City, with the City managing the construction projects.

Under the proposed cost reimbursement agreement, Catellus will design and provide construction phase services for the Phase One North Water Pressure Zone Water Improvements which consist of approximately 3,300 feet of 16-inch water main from the existing 16-inch water main in Cameron Road at Corona Drive, south along Cameron Road to East 51st Street and east along East 51st Street to the existing 6-inch water mains at Lancaster Court, and the Northwest Wastewater Phase One-1B Wastewater Improvements which consist of approximately 2,000 feet of 15-inch gravity wastewater main from the existing 8-inch gravity wastewater main in Airport Boulevard (wastewater project number C089-522, manhole station 7+68.8), north along Airport Boulevard within the old Robert Mueller Municipal Airport site at Wilshire Boulevard.

(a) The Phase One North Water Pressure Zone Water Improvements have been designed at a cost of \$111,303.00 with an additional not to exceed \$29,100.00 for construction phase services if required. The \$111,303.00 incurred "soft" costs to date will be reimbursed to Catellus in one (1) payment sixty (60) days after the execution of the cost reimbursement agreement. The additional, not to exceed \$29,100.00 for construction phase services, if used, will be reimbursed to Catellus in one (1) payment sixty (60) days after the final acceptance of the water improvements. The actual design cost of \$111,303.00 is higher than originally estimated because of design changes initiated by the City.

(b) The Northwest Wastewater Phase One-1B Wastewater Improvements have been designed at a cost of \$40,117.00 with an additional not to exceed \$15,100.00 for construction phase services if required. The \$40,117.00 incurred "soft" costs to date will be reimbursed to Catellus in one (1) payment sixty (60) days after the execution of the cost reimbursement agreement. The additional, not to exceed \$15,100.00 for construction phase services, if used, will be reimbursed to Catellus in one (1) payment sixty (60) days after the final acceptance of the wastewater improvements.

The total "soft" cost reimbursement under this agreement will be for the actual "soft" construction costs for engineering, design and construction phase services of the water and wastewater mains and appurtenances for a total not to exceed \$195,620.00.

Waiver from City Ordinance requirements of:

- (a) waiver of the requirements in Section 25-9-63 relating to the amount of cost reimbursement; and
- (b) waiver of the requirements in Section 25-9-67 relating to the schedule for cost reimbursement payments.

This action waives the requirements in Section 25-9-63, allowing the reimbursement of engineering, design and construction phase services.

Under Section 25-9-67, the cost reimbursement schedule for tracts within the Desired Development Zone shall be made in one lump payment on March 1 of the second year after the year in which the City accepts



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the improvements.

The requested waiver of the requirements in Section 25-9-67 is to allow the cost reimbursement payment to be made 60 days after the execution of the cost reimbursement agreement for the engineering design work and 60 days after the final acceptance of the water and wastewater improvements for the construction phase engineering services if used.

No. 080404-J

**WATER AND WASTEWATER COMMISSION RESOLUTION  
COST REIMBURSEMENT AGREEMENT WITH CATELLUS AUSTIN, LLC ("CATELLUS"), PROVIDING  
TERMS AND CONDITIONS FOR REIMBURSEMENT TO CATELLUS OF THE ACTUAL SOFT COSTS  
INCURRED FOR DESIGN AND CONSTRUCTION PHASE SERVICES IN AN AMOUNT NOT TO  
EXCEED: (A) \$140,403.00, FOR THE 16-INCH WATER MAIN AND APPURTENANCES TO BE  
CONSTRUCTED IN CAMERON ROAD; (B) \$55,217.00, FOR THE 15-INCH GRAVITY WASTEWATER  
MAIN AND APPURTENANCES TO BE CONSTRUCTED IN AIRPORT BOULEVARD TO SERVE A  
PORTION OF THE ROBERT MUELLER MUNICIPAL AIRPORT REDEVELOPMENT (RMMA) FOR A  
TOTAL COST REIMBURSEMENT AMOUNT NOT TO EXCEED \$195,620.00; ADOPT AN ORDINANCE  
WAIVING THE REQUIREMENTS OF SECTION 25-9-63, OF THE CITY CODE RELATING TO AMOUNT  
OF COST REIMBURSEMENT; WAIVING THE REQUIREMENTS OF SECTION 25-9-67, OF THE CITY  
CODE RELATING TO COST REIMBURSEMENT PAYMENTS**

**AUGUST 4, 2004**

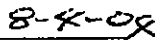
**REGULAR MEETING**

**VOTE: 8-0-0-1**

Motion made by: Coleman  
Commissioners Consenting: Chan, Lee, Kirfman, Raun, Pool, Friese, Miller  
Commissioners Dissenting:  
Commissioners Abstaining:  
Commissioners Absent: Warner

The Water and Wastewater Commission recommends the Council authorize negotiation and execution of a cost reimbursement agreement with Catellus Austin, LLC ("Catellus"), providing terms and conditions for reimbursement to Catellus of the actual soft costs incurred for design and construction phase services in an amount not to exceed: (a) \$140,403.00, for the 16-inch water main and appurtenances to be constructed in Cameron Road; (b) \$55,217.00, for the 15-inch gravity wastewater main and appurtenances to be constructed in Airport Boulevard to serve a portion of the Robert Mueller Municipal Airport Redevelopment (RMMA) for a total cost reimbursement amount not to exceed \$195,620.00; adopt an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement; waiving the requirements of Section 25-9-67, of the City Code relating to cost reimbursement payments.

  
Chien Lee, Vice-Chairperson  
Water and Wastewater Commission

  
Date

## CIP FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:**  
**WHERE ON AGENDA:**  
**DEPARTMENT:**

8/26/2004  
Resolution  
Austin Water Utility

**DESCRIPTION:**

Authorize negotiation and execution of a cost reimbursement agreement with Catellus Austin, LLC ("Catellus"), providing terms and conditions for reimbursement to Catellus of the actual soft costs incurred for design and construction phase services in an amount not to exceed: (a) \$140,403.00, for the 16-inch water main and appurtenances to be constructed in Cameron Road; (b) \$55,217.00, for the 15-inch gravity wastewater main and appurtenances to be constructed in Airport Boulevard to serve a portion of the Robert Mueller Municipal Airport Redevelopment (RMMA), for a total cost reimbursement amount not to exceed \$195,620.00; adopt an Ordinance waiving the requirements of Section 25-9-63, of the City Code relating to amount of cost reimbursement; waiving the requirements of Section 25-9-67, of the City Code relating to cost reimbursement payments

**FINANCIAL INFORMATION:**

Parent Project Name:	Water Unfunded Future
Project Authorization:	2003-04 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	3960 227 1019

Current Appropriation	\$ 271,508,739.00
Unencumbered Balance	72,241,611.33 *
Amount of This Action	<u>(140,403.00)</u>
Remaining Balance	<u>\$ 72,101,208.33</u>
 Current Available Balance	 \$ 77,948,371.17
Less Outstanding Commitments	<u>(5,706,759.84)</u>
Estimated Unencumbered Balance	<u>\$ 72,241,611.33 *</u>

Utility Finance: \_\_\_\_\_

  
David Anders, Utilities Finance Manager

Date: 8/2/4

REF. # 3960 227 7791

## CIP FISCAL NOTE

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**WHERE ON AGENDA:**  
**DEPARTMENT:**

8/26/2004  
Resolution  
Austin Water Utility

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**FINANCIAL INFORMATION:**

Parent Project Name:	Wastewater Unfunded Future
Project Authorization:	2003-04 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	4570 237 2017

Current Appropriation	\$ 410,907,293.00
Unencumbered Balance	140,478,515.17 *
Amount of This Action	<u>(55,217.00)</u>
Remaining Balance	<u>\$ 140,423,298.17</u>
 Current Available Balance	 \$ 155,467,282.62
Less Outstanding Commitments	<u>(14,988,767.45)</u>
Estimated Unencumbered Balance	<u>\$ 140,478,515.17 *</u>

Utility Finance: \_\_\_\_\_

  
David Anders, Utilities Finance Manager

Date: \_\_\_\_\_

8/2/04

**REF # 4570 237 3046**