

A G E N D A



Recommendation for Committee Action

Public Utilities Committee	Item ID	49863	Agenda Number	4.
----------------------------	---------	-------	---------------	----

Meeting Date:	9/16/2015	Department:	Austin Water Utility
---------------	-----------	-------------	----------------------

Subject

Consider and develop recommendations relating to an amendment to the cost reimbursement agreement with RG ONION CREEK, LLC to increase the amount of the City's cost reimbursement by \$1,383,525.32 for a total amount not to exceed \$2,390,925.32. (District 2)

Amount and Source of Funding

Funding is available in the Fiscal Year 2015-2016 Capital Budget of Austin Water.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	
Prior Council Action:	October 18, 2012- Council authorized the negotiation and execution of a cost reimbursement agreement.
For More Information:	Phillip Jaeger, 512-972-0232; Denise Avery, 512-972-0104
Boards and Commission Action:	September 9, 2015- Recommended by the Water and Wastewater Commission on an 8-1-0-1 vote with Commissioner Blanding voting against and Commissioner Kellough absent. Recommendation Number 20150909-D6. September 16, 2015- To be reviewed by the Public Utilities Committee.
MBE / WBE:	
Related Items:	

Additional Backup Information

Legends Way is a 288 single-family home development consisting of approximately 108 acres of land generally located east of Bradshaw Rd at River Plantation Drive (the "Property") and within the City of Austin's full purpose jurisdiction. The Property is within the City's Impact Fee Boundary, Austin Water Utility's (AWU) service area, the Desired Development Zone, and the Rinard Creek Watershed. Service Extension Request Number 3119 (SER-3119) was submitted and approved to extend City wastewater utility service to the Property. As authorized by City Council on October 18, 2012, the City and First Continental Investment Company, Ltd. executed a Cost Reimbursement Agreement ("Agreement") on May 29, 2014 for \$1,007,400.00 of hard costs and soft costs for the oversized 30-inch gravity wastewater interceptor and appurtenances as proposed in SER-3119. Property ownership changed and the Agreement was assigned, as allowed in the contract, to the current developer, RG Onion Creek, LLC, on June 4, 2014.

Under the Agreement, RG Onion Creek, LLC, as the assignee of the original developer, will construct approximately

850 feet of 30-inch gravity wastewater interceptor and convey the wastewater improvements to the City for the City's ownership, operation, and maintenance. These regional wastewater improvements were oversized and required by the City in order to serve additional properties within the Rinard Creek drainage basin in accordance with the City's long-range planning goals for this area. Under the provisions of the executed Cost Reimbursement Agreement, the City agreed to reimburse the actual hard construction costs of the gravity wastewater interceptor, including City-approved change orders associated with the approved plans, and 15% of the hard costs for soft costs.

Construction bids for the oversized wastewater improvements were received by the City on June 4, 2015 and the certified low bid was in excess of the previously City Council approved amount. The bids received exceeded the original cost estimate by 98% primarily due to an increase in material costs and required costs of construction.

Under the proposed amendment to the Agreement, the City will reimburse an overall total amount not to exceed \$2,390,925.32 for the actual hard costs and soft costs associated with the construction of the oversized gravity wastewater interceptor. This amount is a \$1,383,525.32 increase from the City Council's previously approved reimbursement amount.

This project is located in City Council District 2 within zip code 78747.