

## AGENDA



## Recommendation for Council Action

## AUSTIN CITY COUNCIL

Regular Meeting: October 18, 2018

Item Number: 005

## Austin Water

Authorize negotiation and execution of an amendment to a Community Facilities and Cost Reimbursement Agreement with Austin 1801 East 6th, LP, a Texas limited partnership, to construct a portion of the Plaza Saltillo Water Rehabilitation Phase II Capital Improvement Project in the amount of \$154,780 plus a 10% contingency amount of \$33,478, for a total amount not to exceed \$438,258.

District(s) Affected: District 3

<b>Lead Department</b>	Austin Water
<b>Fiscal Note</b>	Funding is available in the Fiscal Year 2018-2019 Capital Budget of Austin Water.
<b>Prior Council Action</b>	September 10, 2017- Council approved the negotiation and execution of a Community Facilities and Cost Reimbursement Agreement 20170910-010, with Austin 1801 East 6 <sup>th</sup> LP, a Texas limited partnership, to construct a portion of the Plaza Saltillo Water Rehabilitation Phase II Capital Improvement Project.
<b>For More Information</b>	Mueen Chowdhury, 512-972-0209; Aldo Ranzani, 512-972-1122; Denise Avery, 512-972-0104
<b>Council Committee, Boards and Commission Action</b>	October 10, 2018- To be reviewed by the Water and Wastewater Commission.

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**Additional Backup Information:**

Austin 1801 East 6<sup>th</sup>, L.P. (“Austin 1801”) owns a tract of land on the south side of E. 6<sup>th</sup> Street between Chalmers Avenue and Chicon Street (shown in attached exhibit) on which it is constructing an office development. Austin Water, as a part of its Capital Improvement Program (CIP), plans to upgrade the existing water main located at E. 6<sup>th</sup> Street between Chalmers Avenue and Chicon Street.

In order to provide adequate fire flow protection to the proposed development and coordinate planned construction, Austin Water and Austin 1801 entered into a Community Facilities and Cost Reimbursement Agreement (CFA) whereby Austin 1801 would construct the portion of the Plaza Saltillo Water Rehabilitation Phase II project at E. 6<sup>th</sup> Street between Chalmers Avenue and Chicon Street. This work consists of replacing an existing 6-inch diameter cast iron water main located at E. 6<sup>th</sup> Street between Chalmers Avenue and Chicon Street with approximately 811 linear feet of 12-inch diameter water main and appurtenances.

Austin 1801 advertised its portion of the construction project in compliance with the City’s M/WBE Program, Wage Rate Compliance, and Worker Safety Training requirements. Additional funds are being requested since the construction bids came in higher than anticipated. The Original Community Facilities and Cost Reimbursement Agreement with Austin 1801, dated September 28, 2017, anticipated \$180,000 for construction costs and \$70,000 for soft costs based on the design engineer’s estimate.

Austin 1801 received four construction bids for the proposed work on August 21, 2018. The lowest responsive construction bid was in the amount of \$334,780. This request is for the additional funds of \$188,258, to make up the difference of construction cost of \$154,780 plus a 10% contingency amount of \$33,478, based on the lowest bid amount.

The higher than anticipated construction costs are generally a result of stringent traffic control requirements, increased construction coordination concerns associated with development activity in the area and other cost impacts related to the small size of the project.

Austin 1801 East 6<sup>th</sup>, LP is located in Austin, Texas. This project is located in zip code 78702 (District 3) and is managed by the Public Works Department.