



Recommendation for Action

File #: 23-2225, **Agenda Item #:** 7.

7/20/2023

Posting Language

Authorize negotiation and execution of an amendment to the cost reimbursement agreement with Pulte Group to increase the amount of the City's cost reimbursement for costs associated with the design and construction of an oversized wastewater lift station, force main, and appurtenances related to Service Extension Request No. 3986R3 that will provide wastewater service to a proposed mixed-use development located at 5601 Durango Pass in the amount of \$1,258,285 for a total revised contract amount not to exceed \$4,040,310.

Lead Department

Austin Water.

Fiscal Note

Funding is available in the Fiscal Year 2022-2023 Capital Budget of Austin Water.

Prior Council Action:

May 21, 2020 - Council authorized the negotiation and execution of a Cost Reimbursement Agreement with Pulte Group to allow for reimbursement up to \$2,782,025.00 for hard costs and soft costs for the oversized portion of the East Parke Subdivision Phase 1 wastewater improvements required in SER-3986R.

September 29, 2022 - Council authorized the negotiation and execution of a Cost Reimbursement Agreement with Blackburn Group, LLC to allow for reimbursement up to \$2,412,000.00 for hard costs and soft costs for the oversized portion of the East Parke Subdivision Phase 2 wastewater improvements required in SER-3986R2.

For More Information:

Inquiries should be directed to Blanca Madriz, 512-972-0115, or Blanca.Madriz@austintexas.gov.

Council Committee, Boards and Commission Action:

July 19, 2023 - Not reviewed by the Water and Wastewater Commission due to a lack of quorum.

Additional Backup Information:

The East Parke Subdivision Phase 1 project consists of approximately 37.58 acres of land out of the approximately 68-acre East Parke Subdivision located at 5601 Durango Pass (the "Property"). The Property is located entirely within the City of Austin's (the "City") Full-Purpose Jurisdiction, Impact Fee Boundary, Austin Water's service area for water and wastewater, the Desired Development Zone, and the Walnut Creek Watershed. A map showing the property location is attached.

Pulte Group ("Applicant") is proposing to develop East Parke Subdivision Phase 1 with approximately 124 single-family homes. The Applicant requested that the City provide wastewater utility service to the Property as proposed in Service Extension Request (SER) No. 3986R3. Austin Water will also provide retail water service to the Property.

Service Extension Request No. 3986R (SER-3986R) was submitted and approved to extend City wastewater utility service to the Property. As authorized by City Council on May 21, 2020, the City and the Owner executed

a Cost Reimbursement Agreement ("Agreement") on January 20, 2023 for \$2,782,025.00 of total project costs for the construction of a Phase 1 oversized wastewater lift station, force main, and appurtenances as proposed in SER-3986R.

Under the Agreement, the Applicant will construct an oversized lift station and approximately 2,350 feet of 10-inch wastewater force main. The proposed wastewater improvements will be conveyed to the City for the City's ownership, operation, and maintenance. These wastewater improvements were oversized and required by the City in order to serve additional properties within the Walnut Creek drainage basin consistent with the City's long range planning goals for this area. The City has agreed to reimburse a percentage of the actual project costs associated with the construction of the wastewater lift station and force main.

The certified low bid for construction of the oversized wastewater improvements was received by the City on February 23, 2023, and the City's proportionate share is in excess of the Council approved Phase 1 reimbursement amount. The bids received exceeded the original cost estimate primarily due to an increase in material and construction costs as a result of the COVID-19 pandemic. The original cost estimate was prepared at a preliminary phase of the Project prior to the onset of the COVID-19 pandemic and was based on material and construction costs at that time.

Under the proposed amendment to the Agreement, the City will reimburse an overall total amount not to exceed \$4,040,310.00 for the actual project costs associated with the construction of the Phase 1 oversized wastewater lift station, force main, and associated appurtenances. This amount is a \$1,258,285.00 increase from the City Council's previously approved Phase 1 reimbursement amount.

The proposed project will be managed through Austin Water staff and is located in zip code 78724, in City Council District 1.