

Posting Language

Recommend approval to authorize additional expenditures for the construction contract for the Polybutylene Water Services Replacement Program project for Austin Water with Austin Underground Inc., to increase the amount by \$366,015 for a revised total contract amount not to exceed \$10,800,369. Funding: \$366,015 is available in the Capital Budget of Austin Water.

Lead Department

Austin Financial Services.

Managing Department

Austin Capital Delivery Services.

Fiscal Note

Funding is available in the Capital Budget of Austin Water.

Procurement Language:

Additional Authorization.

MBE / WBE:

This contract was awarded in compliance with Austin City Code 2-9A (Minority-Owned and Women-Owned Business Enterprise Procurement Program). Current participation to date is 94.73% MBE and 0.00% WBE.

Prior Council Action:

December 9, 2021 – Council approved a contract with Austin Underground, Inc. for the Polybutylene Water Services Replacement Program project.

March 27, 2025 – Council approved additional 10% contingency for the Polybutylene Water Services Replacement Program project.

Council Committee, Boards and Commission Action:

February 18, 2026 – To be reviewed by the Water and Wastewater Commission.

Additional Backup Information:

Austin Water's (AW) distribution system is large and complex, consisting of approximately 3,900 miles of water mains and serving approximately one million customers. Distribution system assets require ongoing repair and replacement to prevent leaks and loss of valuable treated water because of deterioration due to environmental conditions and aging.

Due to unexpected conditions encountered during construction, the need to repave roads with higher quality asphalt, and additional field-verified deviations with existing utilities; the project's contingency funds have been depleted. The original Council authorization allowed for a 10% contingency to cover unknown risks associated with the project. It is anticipated that the current 20% contingency limit and administrative authority of \$66,000, will not be sufficient for the project based on change orders currently under consideration related to the required project scope of work. A 4.24% additional contingency is requested to ensure a timely and efficient change order processing for a successful project completion. Approval of this request will increase the total project contingency plus Administrative Authority to 25%.

Water service lines made of polybutylene or polyethylene fail at a much higher rate compared to other materials such as copper or high-density polyethylene. Failure rates for polybutylene or polyethylene pipes increase at higher pressures. The cost of proactively replacing a service as part of a construction contract is about 30% less than the cost to reactively repair or replace using AW's crews. Proactive service line replacement also results in less water loss and fewer unscheduled customer service outages. Since 2001, AW has been proactively replacing polybutylene and polyethylene services in areas of high static pressure using both internal forces and contractor resources.

Under the Polybutylene Water Services Replacement Program project, approximately 2,200 polybutylene and polyethylene water services with pressures exceeding 105 pounds per square inch are being replaced with copper services in 62 subdivisions. Many of these services have previously experienced one or more breaks with subsequent repair by AW crews. Construction is currently ongoing and is projected to be completed in Spring 2025.

Construction activity will be primarily within City of Austin right-of-way. During construction, temporary lane closures will be in effect on streets where water service lines are replaced. The project proposes lane closures and/or detours during off-peak traffic hours. The contractor will install appropriate traffic detour signs and barricades to direct traffic. The contractor will work to ensure that residents always have access to their driveways. If access cannot be maintained, written notice of limited access will be provided to the affected property owners at least 24 hours in advance. There will be temporary water services interruptions planned, primarily during pipeline tie-in and service reconnection. Residents will be notified at least 48 hours in advance of planned service interruptions.

Prompt action is requested on this item to ensure effective water service line replacements and project delays do not occur. Construction of this contract is time sensitive and is a critical component of maintenance and repair to the water distribution system. Failure to complete this project in a timely manner may result in a negative effect on infrastructure stability, increased risk of lost treated water, and temporary pavement causing uneven roadway surfaces.

The contract allows 608 working days for the completion of this project. This project is located within zip codes 78617, 78704, 78730, 78731, 78736, 78737, 78741, 78745, 78746, 78748, 78749, 78750, 78754 and 78759. (Districts 3, 5, 6, 8 and 10).



AUTHORIZATION HISTORY

AMOUNT	DATE	DESCRIPTION
\$8,640,295.00	12/09/2021	(Council) – Original Construction Contract Awarded
\$864,029.50	12/09/2021	(Council) – 10% Contingency
\$66,000.00	12/09/2021	(Administrative Authority) – Administrative Authority
\$864,029.50	03/27/2025	(Council) – Additional Contingency
\$366,014.75	02/26/2026	Proposed (Council) – Additional Contingency
\$10,800,368.75	<i>Total Contract Authorization</i>	

CONTRACT HISTORY

AMOUNT	DATE	DESCRIPTION (CO%/CUMULATIVE CO%)
\$8,640,295.00	12/17/2021	Original Construction Contract
\$87,995.00	07/06/2023	CO 1 – Bid Item Quantities Adjustment (1.02%/1.02%)
\$42,000.00	07/28/2023	CO 2 – Bid Item Quantities Adjustment (0.49%/1.51%)
\$288,390.00	08/25/2023	CO 3 – Bid Item Quantities Adjustment (3.34%/4.85%)
\$47,000.00	11/07/2023	CO 4 – Bid Item Quantities Adjustment (0.54%/5.39%)
\$(400,115.00)	02/27/2024	CO 5 – Bid Item Quantities Adjustment (-4.63%/0.76%)
\$298,101.00	07/25/2024	CO 6 – Additional Subdivision work and repaving (3.45%/4.21%)
\$311,028.88	11/26/2024	CO 7 – Bid Item Quantities Adjustment (3.60%/7.81%)
\$88,141.00	05/23/2025	CO 8 – Bid Item Quantities Adjustment (1.02%/8.83%)
\$635,672.34	10/17/2025	CO 9 – Bid Item Quantities Adjustment (7.36%/16.18%)
\$761,860.53	Proposed	Council – Additional Contingency (8.82%/25%)
\$10,800,368.75	<i>Total Contract History</i>	