
Developer Participation Contracts

DPC Project Management Manual

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City of Houston

Department of Houston Public Works

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A. Introduction:

This manual has been created in an effort to standardize recurring procedures and provide guidance to developers and engineers, who are contracted by developers, to provide services under Developer Participation Contracts (DPCs) with the City of Houston. There are three types of DPCs and all three are covered in City of Houston Code of Ordinances, Chapter 47, Article IV beginning with Section 47-161.

30-70 DPCs: are mainly intended for reimbursement of new water and wastewater infrastructure construction only. Housing is not associated with these type projects and there is no provision for reimbursement of storm sewer costs. The cap on reimbursement is limited to \$1,000,000 but only includes construction costs.

50-50 DPCs: are also mainly intended for reimbursement of new water and wastewater infrastructure construction only. Housing is not associated with these type projects and there is no provision for reimbursement of storm sewer costs. The cap on reimbursement is limited to \$50,000 and includes construction and design costs.

70-30 DPCs: are principally for water and wastewater infrastructure construction in new residential subdivisions. The Department of Houston Public Works is principally responsible for reimbursements involving water and wastewater funds. If applied for, some developers will receive funds from the Department of Housing and Community Development for Storm Sewer infrastructure construction on affordable housing development. The cap on reimbursements for these type projects is \$1,000,000 and includes construction and engineering costs.

All three types of DPCs require permits from the City for construction of water, wastewater and storm infrastructure. If any other work is included in the construction contract that would require separate permitting, permits would have to be secured for that work also (e.g. electrical, paving, etc.).

City Inspectors will inspect the work covered by permits, during construction. All DPCs must be approved by the City when completed and before any reimbursement can occur. The developer/engineer is required to maintain sufficient documentation during construction to prove to the City that the project was completed in accordance with City standards and the City-approved design.

For 30-70, 50-50 and 70-30 DPCs, Developer must obtain 3 informal bids.

B. DPC Submittal & Process

1. Submittal

- A. 30-70 & 50-50 DPC** - Developer wants to construct new main (water or wastewater) in the City's right-of-way/utility easement or new proposed right-of-way/ utility easement and be reimbursed by the City for a portion of the infrastructure that is built. Developer hires an engineering firm to design and oversee the construction of the works and applies to the City for a DPC.
- B. 70-30 DPC** - Developer wants to develop a new subdivision in the City limits boundary, acquires the property and all needed rights-of-way, hires an engineering firm to plan, design and oversee the construction of the works and applies to the City for a DPC.

The Developer shall deliver to the City for following documents:

1. DPC Application Fee and Administrative Fee. Cashier Check or Company Check only. See current fees on the City Fee Schedule website.
2. Developer Participation Contract (two originals, one copy)
3. Certificate of Insurance (provided by the Contractor)
4. City's Performance Bond, Payment Bond, One-year Maintenance Bond, and One-year Surface Correction Bond (two originals, one copy)
5. If applicable, Certificate of Incorporation, Joint Venture, Partnership, etc.
6. A company vendor ID number. If you are first time to apply for a contract with the City, (a) register your company at <http://purchasing.houstontx.gov>. (b) email a W-9 Form to houstonpurchasing@houstontx.gov. Please contact the Supplier Assistance Desk at 832.393.8800 for assistance.
7. City of Houston Acknowledgement Form (one original)
8. 00455_Ownership Information Form (one original).
9. Water and/or wastewater capacity reservation letters
10. Proof that the Developer has acquired all lands and right-of-way necessary for construction of project.
11. Provide Final CPC 101 Form and preliminary plat or provide final plat. Developer must submit approved preliminary plat within 120 days from contract countersignature date or the contract will be terminated.
12. One-line drawing showing the streets, lots, and proposed utility lines. This drawing must show surrounding streets to identify the subdivision location.
13. The vicinity map, no larger than 8 ½ by 11.

14. Approved construction plans/drawings as required by the OCE.
15. Three (3) informal itemized bidding documents showing the bid cost for the project. A copy of the engineering proposal for the design cost.
16. Cost Allocation Requested Calculation
17. Exhibit A – a narrative description for the project includes lines to be built. For 70-30 DPCs, the property description would be included.
18. Exhibit B – Request for Reimbursement of Eligible Storm Sewer Drainage Costs (for 70-30 DPCs)

2. DPC Award Process

1. The contracts and the bond documents send to Legal Department for approval.
2. Ownership Information Form sends to HPW Director Office for checking tax.
3. Process for council notice memo. Program Manager prepares memo and routing, obtains required signatures and initials. Houston Water (HW) Director Office sends the council notice to the Council Members to meet the 10 Days Policy that required by the City Code of Ordinance, Section 47-164.
4. Process for contracts approval signatures. Program Manager prepares interoffice memo and routing, obtains required signatures and initials.
5. The applications send to Financial Management Services to allocate funds from appropriation and set up SAP accounts.
6. Program Manager delivers contract package to HPW Director Office for approval.
7. After Director signs, Program Manager delivers contract package to Controller Office for final countersignature.
8. Developer has 120 days to submit approved preliminary plat from the contract countersignature date or the contract will be terminated.
9. Developer obtains the copy of the DPC ensuring that it has the contract number written on the front page in the upper right-hand corner.
10. Developer has 18 months from the date of City Controller countersignature to issue a Notice to Proceed or contract will be terminated.

A request for an extension of an existing contract should be submitted to Program Manager at least 6 months in advance from the expiration date.

END OF PROCEDURE

C. Construction

Developer cannot issue the Notice to Proceed and construction cannot begin until the DPC contract is countersigned by the City Controller or the DPC will be terminated.

30-70 & 50-50 & 70-30 DPCs: Developer has secured a contract with the City to construct new mains (water, wastewater, and storm sewer drainage mains) and given Contractor a Notice to Proceed (00551_Notice To Proceed Form).

Contractor is required to pull permits for all utility constructions for DPC projects.

Contractor would notify Engineer and OCE Inspector 48 hours prior to commencing work.

Contractor proceeds with construction on Date of Commencement of the Work specified in Form of 00551_Notice To Proceed.

NOTE: For 70-30 DPCs, Developer must complete 100% of the facilities described in the contract and 25% of the number of housing units required in the DPC to be eligible for water and wastewater reimbursement and sold all houses within three years from the Date of Commencement of the Work to be eligible for fully storm reimbursement.

END OF PROCEDURE

D. City Final Acceptance

30-70 & 50-50 & 70-30 DPCs: Developer or Engineer on behalf of Developer is administering the construction contract and is ensuring that all documentations and testing required by the City is created and maintained for subsequent approval of the Work by the City and the reimbursement process. The construction of the project would comply the City Construction Standard Procedures and Specifications.

Substantial Completion

1. Contractor declares that he/she is substantially complete.
2. The contractor shall require submitting post construction internal inspection DVDs for storm and sanitary sewer, and full size as-built drawings, each page needs as-built stamped, signed and dated, to the Engineer at the time of inspection. Engineer reviews the post construction DVDs and As-built drawings after the inspection. After review, Engineer submits Certificate of Substantial Completion, punch list, DVDs, full size copy of as-built drawings, each page needs as-built stamped, signed and dated, to OCE Project Manager for processing.

Final Completion & Acceptance Package

1. Contractor completes all Punch List items and certifies that the Work is complete by executing Document 00641_Contractor's Certification of Final Completion.
2. Developer or Engineer confirms completion of Punch List and the Work.
3. Developer or Engineer ensures Contractor has paid any fines or fees owed the City in connection with the Project.
4. Developer or Engineer schedules final completion after notifying all the interested parties with 7 calendar days notices. After final completion inspection, Engineer submits following to OCE for final acceptance:
 - Certificate of Final Completion
 - Acceptance letters
 - Test Results for all Underground Utilities
 - Approved Permits and test results
 - Copy of completed Punch List
 - Copy of executed Certificate of Substantial Completion
 - Final Payment Estimate

City Acceptance

1. City Engineer signs and sends certificate of final completion and final acceptance letters of the Project to Developer or Engineer for processing. Developer gets original and all others get copies. Engineer makes distribution of this document.

END OF PROCEDURE

E. Reimbursement

30-70 & 50-50 DPCs: To obtain reimbursement from the City in accordance with the DPC requirement.

70-30 DPCs: To build at least 25% of homes completely in order to claim reimbursement from the City for 70% of the water and wastewater costs and 100% of design cost; and each home sells under the median price to claim reimbursement from the City for up to \$3,000 per lot for storm sewer costs.

Reimbursement Procedures: 70-30, 30-70, 50-50 DPCs

Water and Wastewater :

1. Invoice from the Developer to the City for payment of amount owed under this Participation Contract. (one original)
2. Itemized invoice showing breakdown of costs for determination of reimbursable expenses.
3. Notice to Proceed
4. Permit to construct the utilities lines
5. 00650_Certificate of Final Completion
6. 00651_Certificate of Payment Form (one original)
7. Letters of Acceptance from City Engineer
8. Certification signed by the Developer that it has complied with the requirements of Section II E, Sale of Property. (one original) (for 70-30 DPC only)
9. Provide records and vouchers for allowable cost of water and/or sanitary sewer lines and appurtenances (itemized invoice(s) signed by Contractor or Engineer, and copies of payment check(s) to contractor or engineer).
10. If applicable, all documents necessary to vest title to the Project to the City free and clear of any encumbrances as required by the City Legal Department (easement grants, etc.)
11. Recorded Plats and As-built drawings for the Project.

Storm Sewer Reimbursement - 70-30 DPCs Only

1. Required proof, a closing statement, that the house sold for below the median price as set by TAMU.
2. A copy of signed impact fee waiver statement with median price for each house (must have this for reimbursement)
3. Invoice for eligible storm sewer costs (i.e. design costs, testing costs, construction costs, percentage of water detention facility or portion of required flood control fee, and interest on loan).
4. Fill-out the Request for Storm Payment form. Obtain the form from DPC website.

F. APPENDICES

Application Fee

The HPW Department shall charge each developer requesting the developer contract application fees as provided on the City Fee Schedule website, below are the fees listed on 04/01/2022. Provided, however, the Department shall refund the application fee if the developer has submitted a complete application as required by the Department and funds are not available within 30 days of the developer's application. No refund shall be given for any other reason.

a. 70-30 DPC

<i>Number of lots</i>	<i>fee</i>
40 or fewer	\$440.00
41 to 50	\$520.00
51 to 60	\$570.00
61 to 70	\$630.00
71 to 80	\$690.00
81 to 90	\$770.00
91 to 100	\$840.00
101 to 110	\$910.00
111 to 120	\$970.00
121 to 130	\$1,030.00
131 to 140	\$1,080.00
More than 140 . .	\$1,200.00

b. For 30-70 and 50-50 DPCs: \$1,080.00

c. For applications to extend the term of a developer contract: \$690.00

These application fees shall be adjusted by the department each year effective on the first of April. the adjustment shall be based on the percentage change in the U.S. Consumer Price Index for all Urban Consumers for the Houston-Galveston-Brazoria Texas Metropolitan Area rounded up to the next ten dollar increment.

Key Personnel

<u>Name</u>	<u>Position / Location</u>	<u>Telephone</u>	<u>Facsimile</u>	<u>Email</u>
Carol Ellinger Haddock, P.E.	HPW Director 611 Walker St., 25 th	832- 395-2500		Carol.Haddock@houstontx.gov
Suhail Kanwar, MS PE	City Engineer 1002 Washington, 2 nd	832-394-9140		Suhail.Kanwar@houstontx.gov
Senior Assistant Director	Wastewater Operations, 4545 Groveyway			
Diane Lowery- Binnie P.E.	Street Maintenance 611 Walker, 20 th	832-395-2975		Diane.Lowery-Binnie@houstontx.gov
Rudy Moreno, Jr.	HW Deputy Assistant Director 1002 Washington, 3 rd	832-394-8986		Rudy.Moreno@houstontx.gov
Shailesh Patel	OCE Asst. Chief Inspector 1002 Washington, 2 nd	832-394-9098		Shailesh.Patel@houstontx.gov
Lin Shih	Program Manager 1002 Washington, 3 rd	832- 394-8998		Lin.Shih@houstontx.gov
Johana Clark, P.E.	Storm Sewer 611 Walker, 20 th	832-395-2274		Johana.Clark@houstontx.gov
Yvonne Forrest	Houston Water Director 611 Walker St., 25 th	832-395-2847		Yvonne.Forrest@houstontx.gov
Hasseb Ahmed	OCE Project Manager 1002 Washington, 2 nd	832 394-9102		Hasseb.Ahmed@houstontx.gov