

## STAFF REPORT

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**Date:** October 25, 2017

**To:** Mayor and City Council

**Thru:** Sabra Newby, City Manager

**Subject:** **Staff Report (For Possible Action): Approval of an Award of Contract to Nelson Electric Company, Inc. for the Truckee Meadows Water Reclamation Facility (TMWRF) Substation Rehabilitation Project in an amount not to exceed \$931,200 with the City of Reno's share being \$639,082.56 (Sewer Enterprise Fund).**

**From:** David Kershaw, Associate Civil Engineer

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**Summary:** Truckee Meadows Water Reclamation Facility (TMWRF) substation is the primary power supply for the facility and it is approaching the end of its service life. This project consists of the power substation facility replacement. Therefore, the proposed replacement of this key electrical equipment will help to maintain a reliable and redundant power supply to the TMWRF. Staff recommends Council to award Contract to Nelson Electric Company, Inc. for the Truckee Meadows Water Reclamation Facility (TMWRF) Substation Rehabilitation Project in an amount not to exceed \$931,200 with the City of Reno's share being \$639,082.56 (Sewer Enterprise Fund).

**Background:** The Truckee Meadows Water Reclamation Facility is serviced by two incoming 24.9 kilovolt (kV) sources provided by NV Energy. Each incoming services is connected to a transformer, through a closed switch, that converts the 24.9 kV down to 2,400 volts. The reduced voltage is then sent to the TMWRF's main electrical switch gear for distribution throughout the plant. The current 24.9 kV transformers were installed in 1986 and are reaching the limits of their intended reliable service life. Over the last 5 years, oil tests have found degradation of the transformer oil indicating the equipment is nearing the end of its useful life. Also, the 2007 Arc Flash study identified these transformers as presenting a dangerous Arc flash hazard. The two primary transformers, the feeders and switches are considered the TMWRF Substation.

**Discussion:** The construction contract includes the replacement of two primary transformers, electrical feeders, switch gear, activities to maintain redundant power supplies to the facility during construction, and appurtenances.

Bids were opened on September 13, 2017. The lowest responsive and responsible bidder is Nelson Electric Company, Inc. The current CIP budget approved by the TMWRF Joint Coordinating Committee for the construction of this project will support the award of the Bid in the amount of \$931,200.

Table 1 presents a summary of the bids received:

**Table 1 – Bid Summary**

Item	Nelson Electrical Co., Inc.	The Ryan Co., Inc.	Helix Electric of Nevada, LLC
Bid	\$931,200.00	\$972,141.00	\$1,257,580.00

The consideration of approval of a construction management assistance services agreement is scheduled for a future council meeting, as a separate, but related item.

**Financial Implications:** The City of Reno will administer the agreement and will be reimbursed for a portion of the costs by the City of Sparks through the current cost sharing agreement for TMWRF operation and maintenance. The City of Reno and the City of Sparks share the cost of this project as follows: 68.63% for Reno and 31.37% for Sparks, as shown in Table 1. Costs for the City of Reno are budgeted in the Sewer Enterprise Fund. This project is included in the TMWRF Capital Improvement Plan that was approved by the Joint Coordinating Committee.

Table 1 - Cost Sharing Between Reno and Sparks

Total Cost of Contract	Reno Share	Sparks Share
\$931,200	\$639,082.56	\$292,117.44
Percentages	68.63%	31.37%

**Legal Implications:** The Contract was competitively bid in accordance with Chapter 338 of the NRS. NRS 338.147 provides that a local government shall award a contract for a public work for which the estimated cost exceeds \$250,000 to the contractor who submits the best bid pursuant to the requirements established in Chapter 338.147.

**Recommendation:** Staff recommends Council to award Contract to Nelson Electric Company, Inc. for the Truckee Meadows Water Reclamation Facility (TMWRF) Substation Rehabilitation Project in an amount not to exceed \$931,200 with the City of Reno's share being \$639,082.56 (Sewer Enterprise Fund), and authorize the Mayor to sign.

**Proposed Motion:** I move to approve staff recommendation.

**Attachments:**