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**Date:** TBD

**To:** Mayor and City Council

**Thru:** Sabra Newby, City Manager

**Subject:** Staff Report (For Possible Action): Approval of Award of Contract to KG Walters Construction Co., Inc. for construction of the Truckee Meadows Water Reclamation Facility (TMWRF) Nitrification Tower 2 Rehabilitation Project in an amount not to exceed \$4,298,500 with the City of Reno's portion being \$2,950,060.55 (Sewer Enterprise Fund).

**From:** Kerri Lanza, Engineering Manager

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**Summary:** Staff recommends Council award K.G. Walters Construction Co., Inc. the Truckee Meadows Water Reclamation Facility (TMWRF) Nitrification Tower 2 Rehabilitation Project in an amount not to exceed \$4,298,500 with Reno's share being \$2,950,060.55 (Sewer Fund).

**Previous Council Action:**

April 24, 2018 - Approval of Agreement with Brown and Caldwell (B&C) for engineering services for the Truckee Meadows Water Reclamation Facility (TMWRF) Nitrification Tower #2 Rehabilitation Project in an amount not to exceed \$445,512 with Reno's share being \$305,754.89 (Sewer Fund).

December 3, 2014 - Council approved an Agreement for Consultant Services with Brown and Caldwell for performing a condition evaluation of the existing nitrification towers in an amount not to exceed \$212,000 with the City of Reno's portion being \$145,495.60 from the Sewer Fund.

**Discussion:** One of the key treatment processes at the Truckee Meadows Water Reclamation Facility (TMWRF) consists of removing nitrogen from sewage such that treated effluent discharged from the TMWRF to the Truckee River will meet permit discharge limitations. A first critical step in the removal of nitrogen from sewage occurs in the nitrification towers. The efficiency of these is impacted by a variety of operational and environmental conditions. Most of the towers are almost 30 years old; the media and mechanical equipment are operating beyond their design life and need to be rehabilitated. Following an evaluation of current conditions of the towers, tower #2 requires replacement of the treatment media, distributor equipment, and rehabilitation of concrete tank walls to maintain the structure and increase performance and reliability. Additional nitrification towers will be addressed in future years.

Bids were opened on March 27, 2019. K.G. Walters Construction Co., Inc. submitted the best bid. The current Capital Improvement Plan 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 \$4,298,500. Table 1 presents a summary of the bids received

Table 1- Bid Summary

	<b>K.G. Walters Construction Co., Inc.</b>	<b>RSCI</b>
Bid with Force Account	\$4,298,500	\$4,511,640

**Financial Implications:** The City of Reno will administer the construction contract 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 percent for Reno and 31.37 percent for Sparks, as shown in Table 2. Costs for the City of Reno are budgeted in the Sewer Fund. This project is included in the TMWRF’s FY 2019 and FY 2020 Capital Improvement Plan approved by the TMWRF Joint Coordinating Committee (JCC).

Table 2– Cost Sharing Between Reno and Sparks

<b>Total Cost of Contract</b>	<b>Reno Share</b>	<b>Sparks Share</b>
\$4,298,500	\$2,950,060.55	\$1,348,439.45
<b>Percentages</b>	68.63%	31.37%

**Legal Implications:** The Contract was competitively bid pursuant to Chapter 338 of the Nevada Revised Statutes.