

STAFF REPORT

To: Mayor and City Council

Agenda Item: C.?

Date:

Thru: City Manager

Subject: Approval of Change Order No. 1 To Contract I100050-1980 with Auburn Constructors, Inc. for Replacement of Medium Voltage Switchgear-2 at the Truckee Meadows Water Reclamation Facility (TMWRF) in the amount of \$ 1,418,025.88 with Reno's share being \$973,191.16 (Sewer Enterprise Fund) and Extend the Contract Duration by 170 days..

From: Robert Lee, Sr. Civil Engineer, Public Works

Summary: Work performed by Auburn Constructors on TMWRF's Medium Voltage Switchgear -1 revealed damage to the switchgear that dictates the switchgear must be replaced rather than repaired to prevent a catastrophic failure. Staff recommends Council approve Change Order No.1 to the contract with Auburn Constructors, Inc. in the amount of \$ 1,418,025.88 bringing the total project cost to \$5,053,325.88 and to extend the contract duration by 170 days.

Previous Council Action:

Approval of consultant contract with Camp, Dresser and McKee (CDM) for design of electrical upgrades, May 15, 2010.

Approval of Award of Contract to Auburn Constructors, Inc. for the Electrical Systems Upgrades 2011 at the Truckee Meadows Water Reclamation Facility in an amount not to exceed \$3,635,300 with Reno's share being \$2,494,906.39 (Sewer Fund), December 14, 2011.

Background: Results of Arc Flash Hazards testing on much of TMWRF's electrical systems identified numerous components needing replacement to alleviate safety hazards and to improve operational reliability. The first phase of the effort to replace these worn components, titled Electrical Systems Upgrades 2011, was initiated in February of 2012. The second phase of the project was funded during FY13.

The Phase I scope of work provided only for replacement of the 1964-vintage MVSWGR-2A accompanied by replacement of select components of the 1981-vintage MVSWGR-1 and other TMWRF electrical system components of a similar age . Electrical systems at water reclamation facilities are documented to typically last 30

years, so at an age of 48 years, the MVSWGR-2 and other system components were due for replacement.

As the work on Medium Voltage Switchgear-2 began and TMWRF gained the ability to cut-off electrical power to the main switchgear, staff was provided with their first opportunity to inspect MVSWGR-1 only to discover alarming evidence of severe overheating with physical and corrosion damage to the breakers and bussing. These conditions provided convincing evidence that MVSWGR-1 must also be replaced as soon as possible.

Discussion: With the recognition of the deteriorated condition of MVSWGR-1, temporary repairs to the system components were made to assure reliable service until the entire switchgear could be replaced. CDMSmith, the project engineer, was immediately instructed to supplement the existing design package with provisions for the complete replacement of MVSWGR-1.

That design is now 90% complete thereby enabling the contractor, Auburn Constructors, Inc., to work with equipment suppliers to produce a Change Order request. The major components of the Change Order include the purchase of the new medium voltage switchgear (\$858,706), rental of generators and purchase of diesel fuel needed to power TMWRF for the 8-day duration of the work (\$380,543) and labor (\$86,205). The cost of the change order work is reduced by a deduct (\$352,782) for equipment and labor that will be eliminated from the existing project's scope of work for MVSGWR-1. Auburn Constructors' Change Order request is attached.

Financial Implications: The City of Reno administers 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 based upon their ownership of TMWRF, which is 68.63% for Reno and 31.37% for Sparks, as shown in Table 1.

Table 1 - Cost Sharing Between Reno and Sparks

Total Cost of Contract	Reno Share	Sparks Share
\$5,053,325.88	\$3,468,097.55	\$1,585,228.33
Percentages	68.63%	31.37%

The City of Reno sewer enterprise fund has two components that fund capital projects for the expansion of treatment plant capacity and the upgrades to existing plant facilities. Projects that require replacement or repair of facilities are funded through the existing user fee fund. Projects for expansion of plant capacity are funded through new user connection fees. The Electrical Systems Upgrades project provides an upgrade to the existing plant facilities that will serve both existing and new sewer customers. The

allocation of costs between existing users (user fees) and new users (connection fees) for this project is shown in Table 2. Sewer enterprise funds are budgeted for this work.

Table 2 – Reno Cost Sharing Between User Fee and Connection Fee Funds

Reno Share of Contract Amount	User Fee Share	Connection Fee Share
\$3,468,097.55	\$2,774,478.04	\$693,619.51
Percentages	80%	20%

Legal Implications:

Recommendation: Staff recommends Council approve Change Order No. 1 to the contract for the TMWRF Electrical Systems Upgrades 2011 in the amount of \$1,418,025.88 to Auburn Constructors, Inc.

Proposed Motion: I move to approve the staff recommendation.

Attachment:
Change Order No. 1