

STAFF REPORT

Date: September 14, 2016

To: Mayor and City Council

Thru: Andrew Clinger, City Manager

Subject: Staff Report (For Possible Action): Approval of Award of Contract to Applied Mechanical, Inc. for construction of the Truckee Meadows Water Reclamation Facility (TMWRF) Laboratory Building HVAC Replacement Project in an amount not to exceed \$1,481,022.00 with the City of Reno's portion being \$1,016,425.40 (Sewer Enterprise Fund).

From: Steve Gamilis, Project Coordinator

Summary: Staff recommends Council approve the award of contract to Applied Mechanical, Inc. for construction of the Truckee Meadows Water Reclamation Facility Laboratory Building Heating Ventilation and Air Conditioning (HVAC) Replacement Project in an amount not to exceed \$1,481,022 with the City of Reno's portion being \$1,016,425.40 (Sewer Enterprise Fund).

Previous Council Action:

February 11, 2015 - Council approved a Consultant Agreement between CR Engineering and the Cities of Reno and Sparks for professional services associated with design of the Truckee Meadows Water Reclamation Facility Heating, Ventilation and Air Conditioning Selected Alternatives Project in the amount of \$157,000 with Reno's share being \$107,749.10 (Sewer Enterprise Fund).

Background: The Truckee Meadows Water Reclamation Facility (TMWRF) is jointly owned by the Cities of Reno and Sparks. The City of Reno oversees the Capital Improvement Program for TMWRF, while the City of Sparks manages operations. The TMWRF Joint Coordinating Committee (JCC) has approved the TMWRF five-year capital improvement plan that includes this project and allocated sufficient funding for this project in the capital improvement plan.

Discussion: This project will replace aged HVAC facilities within the Laboratory Building. Some equipment is part of the buildings original construction, and is at the end of its reliable and useful lifespan. Aging and failing HVAC equipment is expensive to maintain and unreliable. The prior evaluation of TMWRF's HVAC system performed by CR Engineering noted the

possibility of other equipment failures due to improper ventilation, temperature, humidity, water damage, and corrosive gases. Because the Laboratory Building is a critical operating facility, requirements were incorporated into the project to maintain laboratory functionality during construction. Replacement of these systems will result in more efficient operation, will improve safety and working conditions for plant employees, and help reliably maintain laboratory environmental conditions in compliance with certification standards. Bids were opened on July 21, 2016. The lowest responsive and responsible bidder is Applied Mechanical, Inc. in the amount of \$1,481,022.

The consideration of approval for an agreement with CR Engineering for construction management services for this project will also be considered by Council on September 14, 2016, 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
\$1,481,022.00	\$1,016,425.40	\$464,596.60
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 approve the Award of Contract to Applied Mechanical, Inc. for the Truckee Meadows Water Reclamation Facility Laboratory Building HVAC Replacement Project in an amount not to exceed \$1,481,022.00, with the City of Reno’s portion being \$1,016,425.40 (Sewer Enterprise Fund), and authorize the Mayor to sign.

Proposed Motion: I move to approve staff recommendation.

Attachments:

- Bid Summary TMWRF Laboratory Building HVAC Replacement (PDF)