

## STAFF REPORT

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**Date:** 4/13/2016

**To:** Mayor and City Council

**Thru:** Andrew Clinger, City Manager

**Subject:** Staff Report (For Possible Action): Approval of Change Order 1 to Headworks Improvements Project construction contract at the Truckee Meadows Water Reclamation Facility with K.G. Walters Construction Co., Inc. for an amount not to exceed \$300,000.00 with the City of Reno's portion being \$205,890.00 (Sewer Enterprise Fund).

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

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Summary: Staff recommends Council approve Change Order 1 to the Headworks Improvements construction contract at the Truckee Meadows Water Reclamation Facility (TMWRF) K.G. Walters Construction Co., Inc. for an amount not to exceed \$300,000.00 with the City of Reno's portion being \$205,890.00 (Sewer Enterprise Fund), and authorize the Mayor to sign the change order.

**Previous Council Action:**

**February 8, 2012** Council approved an Agreement with Stantec for evaluation and design services for the Septage Receiving Facility and Headworks Building at the Truckee Meadows Water Reclamation (TMWRF) in the amount of \$377,884, with Reno's share being \$259,242 (Sewer Enterprise Fund).

**March 13, 2013** Council accepted staff report regarding the Declaration of the Existence of a local State of Emergency for the Truckee Meadows Water Reclamation Facility (TMWRF) pursuant to Chapter 338 and 332 of the Nevada Revised Statutes.

**September 25, 2013** Council approved an Agreement with Stantec for Engineering Services associated with the Truckee Meadows Water Reclamation Facility (TMWRF) Headworks Near-Term Improvement Project in an amount of \$633,702 with Reno's share being \$434,909.68 (Sewer Enterprise Fund).

**December 10, 2014** Council approved award of contract to K.G. Walters Construction Co., Inc. for construction of the Truckee Meadows Water Reclamation Facility (TMWRF) 2014 Headworks Improvements Project in an amount not to exceed \$5,341,600.00, with the City of Reno's portion being \$3,665,940.08 (Sewer Enterprise Fund).

**January 14, 2015** Council approved the Amendment to Agreement for Consulting Services with Stantec that added construction support services to the existing engineering services agreement in an amount not to exceed \$838,826.00 with the City of Reno's portion being \$575,686.28 (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 Headworks facility, constructed in 1964, receives raw sewage flows from the entire sewer collection system and pumps it up to the treatment plant.

On February 25, 2013, the Cities of Reno and Sparks declared an emergency due to failures occurring in key components of the Headworks operation. Under the emergency declaration, improvements to the Headworks operation were restricted to items requiring immediate repair to ensure continuing operation. However, an assessment of the headworks facility became possible during the establishment of the sewage pump-around for the emergency repair.

Improvements identified during the assessment are currently underway.

**Discussion:** This head works improvement project was awarded to K.G. Walters Construction Co., Inc. in the amount of \$5,341,600.00 on December 10, 2014.

The project includes replacement of the odor and hydrogen sulfide gas control system, mechanical screens, sluice gates, flume, and handrails. Further there is repair of and/or improvements to concrete, pump motor access facilities, hydraulic system, electrical, surface coatings, and associated items.

This construction project has been a very complex project to design, coordinate, construct, and maintain safety for personnel and system reliability. The project consists of rehabilitating a critical piece of infrastructure at TMWRF while maintaining raw sewage flows and controls through the structure and the construction area. As construction progressed, there were significant items that were encountered that needed to be addressed either to provide for a complete project such as:

- Additional structural design required for walls that were to be rehabilitated, but had to be replaced due to poor condition discovered during construction;
- Revised structural design of channel walls and top deck due to field conditions ;
- Replacement of additional underground utilities that were in extremely poor condition when encountered during construction;
- Replacement of existing stairs after closer inspection during construction;
- Due to circumstances beyond the control of the plant there has been multiple flooding occurrences of work areas with raw sewage and associated cleaning (cost of cleaning and construction delays);
- HVAC control system design modification during construction;

- Owner directed changes during construction -to improve system operation, decrease lifecycle operational costs and improve facility safety.

A force account provision in the amount of \$700,000 was included. However, a portion of the force account has been utilized, and the remaining force account is not sufficient to cover costs associated with identified work cited above, plus extended temporary screen cleanings, weir testing and installation, flatwork and grading changes, odor control system clarifications, limited assistance with impacts of solids buildup in the collection system immediately upstream of the plant caused by the construction project, and other potential unknowns.

**Financial Implications:** The City of Reno is administering 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 Capital Improvement Plan that was approved by the Joint Coordinating Committee.

Table 1 - Cost Sharing Between Reno and Sparks

Total Cost of Change Order 1	Reno Share	Sparks Share
\$300,000.00	\$205,890.00	\$94,110.00
Percentages	68.63%	31.37%

**Legal Implications:** The change order is in compliance with the laws of the State of Nevada.

**Recommendation:** Staff recommends Council approve Change Order 1 to the Truckee Meadows Water Reclamation Facility (TMWRF) 2014 Headworks Improvements Project construction contract with K.G. Walters Construction Co., Inc. for an amount not to exceed \$300,000.00 with the City of Reno’s portion being \$205,890.00 (Sewer Enterprise Fund), and authorize the Mayor to sign the change order.

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