

## STAFF REPORT

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**Date:** June 13, 2018

**To:** Mayor and City Council

**Thru:** Sabra Newby, City Manager

**Subject:** Staff Report (For Possible Action): Approval of Award of Contract to Savage and Son, Inc. for construction of the Truckee Meadows Water Reclamation Facility (TMWRF) Water Piping Replacement, Phase 3 Project for the Base Bid and Additive Alternates A, B and C in an amount not to exceed \$1,028,881.00 with the City of Reno's portion being \$706,121.03 (Sewer Enterprise Fund).

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

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**Summary:** Staff recommends Council approve the award of contract to Savage and Son, Inc. for construction of the Truckee Meadows Water Reclamation Facility Water Piping Replacement, Phase 3 Project for the Base Bid and Additive Alternates A, B and C in an amount not to exceed \$1,028,881 with the City of Reno's portion being \$706,121.03 (Sewer Enterprise Fund).

### **Previous Council Action:**

**March 8, 2017** - Council approved a Consultant Agreement between Petty & Associates, Inc. and the Cities of Reno and Sparks for professional services associated with design of the Truckee Meadows Water Reclamation Facility (TMWRF) Water Supply Infrastructure Rehabilitation Phase 3 Project in the amount of \$140,300.00 with Reno's share being \$96,287.89 (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 #1 water system is the potable water system used at the plant for domestic applications such as sinks, toilets, eyewash stations, etc. The #2 system utilizes reclaimed water produced by TMWRF. The #2 water is used for cleaning as well as for the cooling of mechanical equipment related to the plant processes. The #3 water system is the same as the #2 system, but operates at higher pressures, and is used for cleaning and washing down equipment and plant infrastructure where higher pressures are required. The majority of these water facilities are from the original construction of the plant and are in need of rehabilitation.

A recently completed facility wide water system evaluation resulted in development of risk/criticality based priority ranking of water facilities that require rehabilitation. Rehabilitation of the highest ranked infrastructure has already been addressed in a completed Phase 1 project. This project is the next phase of work to address another group of priority ranked water facilities that require rehabilitation. It should be noted that there will be additional water system rehabilitation projects in the future, since this project size is limited to available annual funding and other concurrent CIP needs.

**Discussion:** Due to concerns with potential system failures, staff of Reno and Sparks created a ranked list of priorities where critical electrical and control components are at risk due to unforeseen water system failures. This project will reduce the risks associated with potential pipe failures at high risk locations and will prevent emergency system failures.

Bids were opened on May 3, 2018. The lowest responsive and responsible bidder is Savage and Son, Inc. The current CIP budget approved by the TMWRF Joint Coordinating Committee for the construction of this project will support the award of the Base Bid and Additive Alternates A, B and C in the amount of \$1,028,881.00.

Table 1 presents a summary of the bids received:

**Table 1 – Bid Summary**

| Item  | SAVAGE AND SON, INC. | RESOURCE DEVELOPMENT COMPANY | KG WALTERS CONSTRUCTION CO., INC. |
|---|----------------------|------------------------------|-----------------------------------|
| Base Bid with Additive Alternates A, B and C. | \$1,028,881.00       | \$1,053,300.00               | \$1,086,500.00                    |

The consideration of approval for an agreement with Petty & Associates, Inc. for construction management services for this project will also be considered by Council on **June 13, 2018, 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

| <b>Total Cost of Contract</b> | <b>Reno Share</b> | <b>Sparks Share</b> |
|-------------------------------|-------------------|---------------------|
| \$1,028,881.00                | \$706,121.03      | \$322,759.97        |
| 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 Savage and Son, Inc. for the Truckee Meadows Water Reclamation Facility Water Piping Replacement, Phase 3 Project for the Base Bid and Additive Alternates A, B and C in an amount not to exceed \$1,028,881.00, with the City of Reno's portion being \$706,121.03 (Sewer Enterprise Fund), and authorize the Mayor to sign.

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

**Attachments:**