

## STAFF REPORT

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**Date:** January 11, 2017

**To:** Mayor and City Council

**Thru:** William Thomas, Acting City Manager

**Subject:** Staff Report (For Possible Action): Approval of Award of Contract to K.G. Walters Construction Co., Inc. for construction of the Truckee Meadows Water Reclamation Facility (TMWRF) Aeration Piping System Modification Project in an amount not to exceed \$393,500.00 with the City of Reno's portion being \$270,059.05 (Sewer Enterprise Fund).

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

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**Summary:** Staff recommends Council approve the award of contract to K.G. Walters Construction Co., Inc. for construction of the Truckee Meadows Water Reclamation Facility Aeration Piping System Modification Project in an amount not to exceed \$393,500.00 with the City of Reno's portion being \$270,059.05 (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.

A comprehensive risk ranking performed in 2012 and since updated, identified the aeration system as one of the more critical Capital Improvement Projects that needs to be addressed. Aeration system work completed to date includes an overall system evaluation that identified prioritized recommended modifications to the aeration system to increase air flow, improve reliability and serviceability. Aecom was previously tasked to design the identified aeration piping improvements and the City opened construction bids on this project in November.

**Discussion:** The construction contract includes modifications to piping to allow increase air flow, and looping to help increase operational flexibility and reliability. Bids were opened on November 22, 2016. The lowest responsive and responsible bidder is K.G. Walters Construction Co., Inc. in the amount of \$393,500.00. Only one bid was received. Staff did research the issue regarding a single bidder on this project and based on discussions with other plan holders and the

design engineer, rebidding of the project would probably not generate additional bidders nor reduce the cost.

The consideration of approval for an agreement with Aecom Technical Services, Inc. for construction management services for this project will also be considered by Council on January 11, 2017, 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
\$393,500.00	\$270,059.05	\$123,440.95
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 K.G. Walters Construction Co., Inc. for construction of the Truckee Meadows Water Reclamation Facility Aeration Piping System Modification Project in an amount not to exceed \$393,500.00 with the City of Reno's portion being \$270,059.05 (Sewer Enterprise Fund), and authorize the Mayor to sign.

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