

STAFF REPORT

Date: January 16, 2013

To: Mayor and City Council

Thru: Andrew Clinger, City Manager

Subject: Staff Report (For Possible Action): Approval of Award of Contract to Advance Installations for Phase II of the Asbestos Abatement Project at the Truckee Meadows Water Reclamation Facility (TMWRF), to include removal of asbestos containing pipe insulation and related work, in the total amount of \$324,524.48, with the City of Reno's share being \$222,721.15 (Sewer Enterprise Fund).

From: Joe Coudriet, Associate Civil Engineer

Summary: Wise Consulting conducted a plant-wide comprehensive survey of asbestos-containing materials (ACMs), and identified several locations within TMWRF where the aging of ACM has created the need for abatement. Phase II of the abatement pertains to the removal of ACMs used as pipe insulation for pipes which are part of multiple air handling lines in pipe galleries A and B. Staff recommends Council award the bid to Advance Installations, Inc, as the lowest responsive and responsible bidder in the amount of \$324,524.48. Reno's share of the contract cost is \$222,721.15 (Sewer Enterprise Fund).

Previous Council Action: July 18, 2012 approval of consultant contract with Converse Consultants for design of the TMWRF Phase II Asbestos Abatement.

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. In early 2011 TMWRF contracted with Wise Consulting to complete a comprehensive inspection of the facility to identify all areas where ACM is present. Wise consulting prepared a comprehensive Asbestos Management Plan as a guide for systematic removal of those materials, in accordance with Federal and State regulations. Phase I of the abatement work was completed May 2012 and included the removal of ACMs in the Blower Room. In July of 2012, the Cities of Reno and Sparks executed an agreement with Converse Consultants to prepare plans and specifications for Phase II of the asbestos abatement, in pipe galleries A and B at TMWRF.

Asbestos abatement is recognized as a priority and was included in the Capital Improvement Program (CIP) for TMWRF as approved by the Joint Coordinating Committee.

Discussion: Bids for the Phase II Asbestos Abatement were received on December 18, 2012. Advance Installations, Inc. was the lowest responsive and responsible bidder with a bid of \$324,524.48.

Financial Implications: The City of Reno will administer 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 as shown in Table 1.

Table 1 – Cost Sharing Between Reno and Sparks

Total Cost of Contract	Reno Share	Sparks Share
\$324,524.48	\$222,721.15	\$101,803.33
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 Phase II Asbestos Abatement 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
\$222,721.15	\$178,176.92	\$44,544.23
Percentages	80%	20%

Legal Implications: The Contract was competitively bid in accordance with NRS 338.143 et.seq., and Advance Installations, Inc. is the lowest responsive and responsible bidder.

Recommendation: Staff recommends Council award the contract for the TMWRF Phase II Asbestos Abatement in the amount of \$324,524.48 and authorize the Mayor to sign the contract.

Proposed Motion: I move to approve the staff recommendation.

Attachments:

- Bid Tabs: Asbestos Abatement Phase II (PDF)