

STAFF REPORT

Date: January 14, 2014

To: Mayor and City Council

Thru: Andrew Clinger, City Manager

Subject: **Staff Report (For Possible Action): Approval of Amendment to the Consultant Agreement between Stantec Consulting Services Inc. (Stantec) and the Cities of Reno and Sparks to provide Construction Management Services for the Truckee Meadows Water Reclamation Facility (TMWRF) 2014 Headworks Improvement Project in an amount not to exceed \$838,826.00, with the City of Reno's portion being \$575,686.28 (Sewer Enterprise Fund).**

From: David Kershaw, Associate Civil Engineer

Summary: Construction management services are required for the Truckee Meadows Water Reclamation Facility (TMWRF) 2014 Headworks Improvement Project. This scope of work will provide services during construction that includes construction management, engineering services, inspection, and testing. Further, the agreement provides for limited final design tasks that could not be accomplished with the original agreement due to scoping changes. Staff recommends Council approve the Agreement Amendment with Stantec for construction management services for the TMWRF 2014 Headworks Improvement Project in an amount not to exceed \$838,826.00, with the City of Reno's portion being \$575,686.28 (Sewer Enterprise Fund).

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 Facility (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).

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 City of Reno 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 that must be immediately repaired to assure continuing operation. An assessment of the need for additional improvements became possible following the establishment of the pump-around. Access to the dry internal spaces of Headworks enabled engineers to assess the condition of the concrete and steel structure and the mechanical and electrical equipment. That assessment identified additional improvements which must be performed in the near-term to assure the sustainable and reliable operation of the Headworks facility.

The previous approved consultant agreement (September 25, 2013), allowed for completion of a design for improvements identified during the assessment. The improvement project timeline for this facility is being accelerated by the need to replace existing equipment that is at the end of its useful and reliable service life. During the later stages of the design there were items that required an additional level of design effort that was not included in the original design scope and needed to be included in the design to provide a complete project. Some of these items included plant return flow piping modifications identified after completion of computational fluid dynamics modeling was completed, increased structure size due to site constraints, additional equipment demolition, automatic sampling infrastructure, additional evaluation and design efforts associated with odor control, construction sequencing, pre-purchasing key equipment, etc. Due to the time critical nature of rapidly completing the design and constructing the project which would help minimize the potential of additional equipment failures, the Consultant proceeded with the additional design work. Per detailed review of the additional design task costs, the significant increase in project complexity, and the fact that a good set of bids were received on this project, Staff's opinion is that the additional level of effort is acceptable.

Discussion: This consultant agreement will provide services during project construction that includes construction management, engineering services during construction, inspection, testing, and funding for final design tasks identified during design. Stantec was selected from the City's approved list of engineering consultants. A recommendation for construction contract award for this project was considered and approved by Council on December 10, 2014, as a separate, but related item.

The additional tasks as partially summarized in this staff report and detailed amended agreement, have expanded the design, engineering, and construction management services of Stantec an additional \$838,826.00, thereby increasing the total design and engineering services during for this project to \$1,472,528.00.

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 and amended tasks are included in the TMWRF FY2015 Capital Improvement Plan that was approved by the Joint Coordinating Committee.

Table 1 - Cost Sharing Between Reno and Sparks

Total Cost of Amendment	Reno Share	Sparks Share
\$838,826.00	\$575,686.28	\$263,139.72
Percentages	68.63%	31.37%

Legal Implications: The amended agreement is for engineering (design) services pursuant to NRS 332.115 (1)(b). The amendment at Article I provides that the consultant services are subject to NRS 338.010 – 338.090 (prevailing wage) for all covered work.

Recommendation: Staff recommends Council approve the Amendment to Agreement for Consulting Services with Stantec for the engineering and construction support services described in the attached proposal in an amount not to exceed \$838,826.00 and authorize the Mayor to execute the attached Amendment.

Proposed Motion: I move to approve the staff recommendation.