

## STAFF REPORT

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**Date:** November 13, 2024

**To:** Mayor and City Council

**Through:** Jackie Bryant, Interim City Manager

**Subject:** Staff Report (For Possible Action): Approval of staff recommendation to select PCL Construction, Inc. (PCL Construction) for Construction Manager-At-Risk (CMAR) on the Truckee Meadows Water Reclamation Facility Dewatering Building project and approve the Owner-CMAR Pre-Construction Services Agreement with PCL Construction in the amount of \$992,539. (Sewer Fund)

**From:** Matt Smith, Senior Civil Engineer

**Department:** Utility Services

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**Summary:**

Staff advertised a Request for Proposals (RFP) in the newspaper and applicants submitted proposals to be the Construction Manager-At-Risk (CMAR) for the Truckee Meadows Water Reclamation Facility (TMWRF) Dewatering Building. Following Nevada Revised Statutes (NRS) Chapter 338 provisions, a panel of seven reviewed the proposals, selected the proposers to interview, conducted interviews, and provided final rankings for the three contractors. The panel determined that PCL Construction, Inc. was the highest-ranking applicant. NRS provides that the City of Reno (Reno) may now enter into a contract for pre-construction services with the highest-ranking applicant. Under this pre-construction services agreement, PCL Construction will perform, manage, and supervise the pre-construction services for the TMWRF Dewatering Building project located at 8500 Clean Water Way, Reno NV, 89502. The services provided by the CMAR during pre-construction include, but are not limited to, coordination with the Owner and Engineer, establishing early project construction cost estimates, contracting, coordinating, and managing centrifuge pilot testing, determination of potential early procurement items, confined space entry for near term repairs of the existing dewatering building, design assistance and constructability review, risk management, scheduling, developing construction systems or methods for cost reduction or value engineering. Awarding a pre-construction services agreement does not guarantee that the proposer will be awarded a construction contract. Staff recommends that Council approve the selection of PCL Construction for CMAR on the TMWRF Dewatering Building project and approve the Owner-CMAR Pre-Construction Services Agreement with PCL Construction in an amount of \$992,539.

<b>Consent Review</b>	<b>Yes</b>	<b>No</b>
1. Is this item an annual or standard item that comes before Council for regular approval?		<b>X</b>
2. Is this item an agreement required based on an item previously approved by Council?	<b>X</b>	
3. Is this item included in the current budget approved and adopted by Council?	<b>X</b>	
<b>Other Considerations</b>		
What percent of the total City budget does this item represent?	<b>0.11%</b>	

**Alignment with Strategic Plan:**

Fiscal Sustainability

Infrastructure, Climate Change, and Environmental Sustainability

**Previous Council Action:**

June 5, 2024: Council adopted a Resolution appointing the City Manager as the authorized representative of Council to conduct the required CMAR selection process.

August 23, 2023: Council approved an agreement for design and construction manager at risk support services with Jacobs for \$4,066,496.

May 25, 2022: Council approved a pre-design and evaluation agreement with Jacobs for \$1,147,233.

**Background:**

The existing TMWRF Dewatering Building, located adjacent to the digestion facility, was built in 1983 to accommodate smaller flows and less sludge load than the plant currently produces. Additionally, the facility was built using 1980s building code requirements that were significantly less stringent than today's code, resulting in unsafe conditions and the risk that a seismic event could cause a catastrophic failure of the building and associated solids processing at the treatment plant.

In 2020 TMWRF completed a facility plan which indicated a new dewatering building could be built to split the flow between the existing and new. Subsequently, Jacobs Engineering, Inc. (Jacobs) was hired through a request for qualifications process for pre-design services. The Jacobs pre-design report recommended one new building to encumber the entire flow for all solids handling at the treatment plant due to the existing constraints, seismic issues, lack of redundancy, lack of maintainable infrastructure, and the unsafe conditions of the existing building. As such, a new dewatering building is proposed to safely handle dewatering operations and obtain crucial redundancy for this critical plant process.

The proposed new dewatering building site is located adjacent to the hill on the south side of the treatment plant. This location is at a midpoint of the sludge pumping to the dewatering process and provides sufficient space around the new building for transporting equipment and for dewatered sludge truck loading without impacting plant traffic patterns. The proposed new facility at this location will replace the existing dewatering process while providing more space for safety, plant operations, maintenance of equipment and critically important redundancy for the dewatering process. The existing dewatering building is proposed to remain for future use, repurposed for storage and other less critical plant infrastructure.

The Joint Coordinating Committee (JCC), comprised of Reno and Sparks City Management, and Reno and Sparks City Council Members, authorized staff to pursue the Construction Manager-at-Risk (CMAR) project delivery method for the TMWRF Dewatering Building project during the May 31, 2023, JCC meeting. Additionally, on August 23, 2023, Council approved the agreement with Jacobs for the TMWRF Dewatering Building Design and CMAR Assistance for design of the facility and to work with the CMAR through the design process.

Council adopted a Resolution at the June 5, 2024, meeting appointing the City Manager as the authorized representative of Council to conduct the required tasks per NRS 338.1693 for the selection of a CMAR to provide pre-construction services on the TMWRF Dewatering Building project.

As part of the TMWRF Capital Improvement Program (CIP), “Risk Ranking” and paired comparison of infrastructure identifies project priorities, condition, and risk of failure. The Fiscal Year 21, 22, 23, 24 and 25 ranking processes identified Dewatering as priority #1.

**Discussion:**

Reno hired a consultant, Avenue Consulting (Avenue), to administer CMAR selection process. Avenue aided in reviewing the Request for Proposals (RFPs) prior to advertisement, preparing review criteria, collecting and consolidating review comments, and administering consensus sessions to establish ranking order. This process provides a transparent and defensible process for selecting the CMAR.

The CMAR RFP for this project was advertised on July 25, 2024 and proposals were opened on August 8, 2024. A panel was formed to evaluate and rank each proposal on several established criteria including contractor key personnel assigned to this project, experience in projects of similar size and scope, project specific information, past performance, completeness of proposal, and additional federal funding requirements and waivers.

Per the Resolution adopted by Council at the June 5, 2024 meeting, the City Manager selected a

panel of seven individuals to review the proposals and interviews. The panel included:

1. Senior Civil Engineer for City of Reno Utility Services
2. TMWRF Plant Manager for City of Sparks
3. Capital Improvement Program Manager for City of Sparks
4. Regional Infrastructure Manager for City of Reno
5. Director of Engineering and Assistant General Manager of Truckee Meadows Water Authority (TMWA)
6. President of BJB Architecture and Engineering
7. Engineering Manager for City of Reno Utility Services

Each panel member reviewed and evaluated each of the proposals independently. The consultant compiled the independent review comments and scores. All panel members met with the consultant for review and consensus ranking, resulting in three proposers selected for interview. The proposers were interviewed on September 26, 2024. Immediately following the interviews, the panel convened with the consultant for consensus ranking. The panel ranked the finalists as follows:

1. PCL Construction
2. RSCI
3. K.G. Walters Construction Co. Inc.

Per NRS, the rankings of the applicants, the final scores, and the final scores for each factor that the public body specified in the request for proposals, are to be made public. As such, these items are being disclosed (see Attachment A).

PCL Construction has completed more than 400 water/wastewater infrastructure projects, 193 CMAR projects, and successfully built more than 60 dewatering facilities.

In addition to approving the selection of PCL Construction for CMAR on this project, staff is also seeking approval of the Owner-CMAR Pre-Construction Services agreement with PCL Construction for the amount not to exceed \$992,539 (see Attachment B).

The dewatering building design consultant, Jacobs, will partner with PCL Construction during the preconstruction phase for the development of the final design to construct a new Dewatering Building at TMWRF. PCL Construction's pre-construction services for the TMWRF Dewatering Building generally include but are not limited to the following:

- Participate in the scheduled design process review meetings with site civil, architect and owner representatives and provide ongoing input with respect to constructability, construction cost and duration, sequence of construction and construction means and methods.
- Conduct investigations, with participation by appropriate subcontractors of all existing site

conditions.

- Coordinate, contract, supervise and manage dewatering centrifuge pilot testing to determine achievable dewatering performance.
- Participation in finalizing pre-qualification proposal requirements
- Develop question and review comments, suggestion, and cost estimates at each of the stipulated phases of design.
- Development of constructability and value engineering suggestions.
- Advertise; prepare contracts for all subcontractor proposals including distribution of documents, coordination of pre-bid conferences, bid openings and determination of best bid in each category.
- Provide final recommendation of all subcontractors based on what is deemed to be the best value for the owner.
- Develop a Guaranteed Maximum Price (GMP) from all necessary subcontractors.
- Qualify subcontractors and coordinate involvement.

Once pre-construction services are complete, PCL Construction will also be required to manage subcontractor procurement in accordance with all applicable laws and policies in the development of a Guaranteed Maximum Price (GMP) construction contract.

Per NRS, at the conclusion of the pre-construction services, the CMAR will propose a GMP for construction of all improvements. Reno has the option to move forward and contract with the CMAR for construction based on the GMP provided, or to further negotiate a price with the CMAR. In the event Reno and the CMAR cannot come to an agreement on GMP, for Reno to proceed, it would need to bid the project via a request for bid proposals with award of contract going to the low bidder.

Awarding the Pre-Construction Agreement does not guarantee that the proposer will be awarded a construction contract.

**Financial Implications:**

Utility services has allocated funds for TMWRF capital improvement projects, as outlined in the City of Reno Annual Budget for FY25. The New Dewatering Facility CMAR is included in the current fiscal year’s CIP as approved by the TMWRF Joint Coordinating Committee (JCC) and the respective City Councils of Reno and Sparks through the budget process. 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 operations 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 Reno are budgeted in the Sewer Fund.

**Table 1 – Cost Sharing Between Reno and Sparks**

<b>Total Cost of Agreement</b>	<b>Reno Share</b>	<b>Sparks Share</b>
\$992,539	\$681,179.52	\$311,359.48
<b>Percentages</b>	68.63%	31.37%

**Legal Implications:**

Legal review completed for compliance with City procedures and Nevada law. This CMAR RFP was conducted within the requirements of Nevada Revised Statutes (NRS) 338.169-338.16935. The preconstruction services agreement is the first step in the process for the CMAR construction process. The agreement provides that this agreement "in no manner obligates the Owner to enter into a construction contract with the CMAR."

**Recommendation:**

Staff recommends Council approve the selection of PCL Construction, Inc. for Construction Manager-At-Risk (CMAR) on the TMWRF Dewatering Building project and approve the Owner-CMAR Pre-Construction Services Agreement with PCL Construction in the amount of \$992,539 and authorize the Mayor to sign.

**Proposed Motion:**

I move to approve the staff recommendation.

**Attachments:**

- Attachment A: Panel Results and Rankings (PDF)
- Attachment B: Owner-CMAR Pre-Construction Services Agreement (PDF)