

STAFF REPORT

Date: June 5, 2024

To: Mayor and City Council

Through: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Award of Contract to KG Walters Construction Co., Inc. (KGW) for the Truckee Meadows Water Reclamation Facility (TMWRF) Primary Sludge Screening Improvements Project in an amount not to exceed \$1,953,550 with the City of Reno's share being \$1,340,721.36. (Sewer Fund)

From: Matt Smith, Senior Civil Engineer

Department: Utility Services

Summary:

This project at the Truckee Meadows Water Reclamation Facility (TMWRF) will replace the existing obsolete primary sludge screens, associated piping, and valves; install a new access hatch; and upgrade electrical and heating, ventilation, and air conditioning (HVAC) systems. KG Walters Construction Co. (KGW) submitted the best bid pursuant to the requirements established in Nevada Revised Statutes (NRS) Chapter 338. Staff recommends Council award the contract to KGW in an amount not to exceed \$1,953,550 for the base bid and project contingency with the City of Reno's share being \$1,340,721.36 from the Sewer Fund.

Consent Review	Yes	No
1. Is this item an annual or standard item that comes before Council for regular approval?		X
2. Is this item an agreement required based on an item previously approved by Council?	X	
3. Is this item included in the current budget approved and adopted by Council?	X	
Other Considerations		
What percent of the total City budget does this item represent?	0.23%	

Alignment with Strategic Plan:

Fiscal Sustainability

Infrastructure, Climate Change, and Environmental Sustainability

Previous Council Action:

April 26, 2023 – Council approved a consulting agreement for engineering design services with Keller Associates, Inc. for the TMWRF Primary Sludge Screening and Acid Phase Digester Valve and Piping Improvements Project.

Background:

The Cities of Reno and Sparks jointly own the TMWRF, built in 1964. TMWRF separates incoming wastewater into liquid and solids streams for further treatment. TMWRF screens the solids streams and stores them in large concrete tanks called digesters for gas production before dewatering and hauling to the landfill. The current primary sludge screens at the screening facility at TMWRF have recently experienced repeated failures and are obsolete. Due to the vintage of these screens, spare parts are not available, and repairs need to be custom fabricated and are costly.

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 2024 ranking process identified primary sludge screening as priority #4.

Also on today’s agenda for Council consideration is the agreement for engineering services during construction with Keller Associates, Inc. as a separate but related item.

Discussion:

This project includes the demolition and replacement of the existing primary sludge piping, valves, and mechanical screens, the installation of a new access hatch from the second floor to the first floor, and upgrades to the electrical and HVAC systems.

Staff conducted a public bid for this project. Three contractors submitted bids. Staff received and opened bids on April 24, 2024. Staff evaluated KGW’s bid, and it met the criteria under NRS Chapter 338. KGW submitted the lowest responsive bid of \$1,783,550. KGW is a general contractor licensed in Nevada, and they have previously completed several projects for the City that included similar work.

Table 2 – Bid Summary

TMWRF Primary Screening Improvements Project	Engineer’s Estimate	TNT Industrial Contractors, Inc.	KG Walters Co. Inc.	Resource Development Co. dba Farr Construction Corp. (RDC)
Base Bid	\$2,184,000	\$1,894,000	\$1,783,550	\$3,291,000

Staff recommends award to KGW for an amount not to exceed \$1,953,550, which includes a contingency allowance of \$170,000 for unforeseen conditions encountered during construction, with the City of Reno's share being \$1,340,721.36 from the Sewer Fund.

Table 3 – Recommended Bid Award

Base Bid	\$1,783,550
Contingency	\$170,000
Bid Award	\$1,953,000

The consequences of not awarding this bid today will result in the delay of the replacement of the existing primary screens and piping improvements, which will increase the risk of failure, maintain current operational issues, incur additional costs to repair and replace obsolete equipment, and the process will continue to be a safety hazard.

Financial Implications:

The current fiscal year's CIP includes the TMWRF Primary Sludge Screening Improvements Project as approved by the TMWRF Joint Coordinating Committee (JCC) and the respective City Councils of Reno and Sparks through the budget process. The City of Reno will administer the agreement and the City of Sparks will reimburse Reno for a portion of the costs through the current cost-sharing agreement for TMWRF operations and maintenance. Reno and Sparks share the cost of this project as follows: 68.63% for Reno and 31.37% for Sparks, as shown in Table 4. The Sewer Fund budget accounts for these costs.

Table 4 – Cost Sharing Between Reno and Sparks

Total Cost of Agreement	Reno Share	Sparks Share
\$1,953,550	\$1,340,721.36	\$612,828.64
Percentages	68.63%	31.37%

Legal Implications:

Staff competitively bid this contract in accordance with NRS Chapter 338. Furthermore, NRS 338.147 provides that local government shall award a contract for public work for which the estimated cost exceeds \$250,000 to the contractor who submits the best bid pursuant to the requirements of the chapter.

Recommendation:

Staff recommends Council award the contract to KGW for the TMWRF Primary Sludge Screening Improvements Project in an amount not to exceed \$1,953,550, with the City of Reno's share being \$1,340,721.36 from the Sewer Fund and authorize the Mayor to sign.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Area & Vicinity Map for TMWRF Primary Sludge Screening Improvements Project

TMWRF Primary Sludge Screening Improvements Project Construction Contract – KG Walters