

STAFF REPORT

Date: September 25, 2024

To: Mayor and City Council

Through: Jackie Bryant, Interim City Manager

Subject: Staff Report (For Possible Action): Authorization to purchase one positive displacement blower package from Aerzen USA Corporation in the amount of \$124,400 for use at the Reno Stead Water Reclamation Facility pursuant to NRS 332.115(d). (Sewer Fund)

From: Robert Zoncki, Water Reclamation Facility Supervisor

Department: Utility Services

Summary:

Staff recommends Council approve the purchase one positive displacement blower package from Aerzen USA Corporation (Aerzen) in the amount of \$124,400 to replace a blower that recently suffered fire damage at the Reno Stead Water Reclamation Facility (RSWRF) pursuant to Nevada Revised Statutes (NRS) 332.115(d).

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?		0.01%

Alignment with Strategic Plan:

Infrastructure, Climate Change, and Environmental Sustainability

Previous Council Action:

None

Background:

On August 10, 2022, a fire occurred at the Reno Stead Water Reclamation Facility (RSWRF), while the RSWRF expansion project was underway, damaging a positive displacement blower. This equipment is critical to the sanitary sewer treatment process. RSWRF has been able to continue to successfully operate without this equipment for the past two (2) years by relying on other blowers, however, it has done so without required operational redundancy. During this time, the city's Risk Management Department was working on an insurance claim, which has now been settled.

Discussion:

The attached equipment quote is for one (1) positive displacement blower package, that will provide staff with the equipment necessary to replace the blower that was destroyed by fire damage in August 2022.

Risk Management facilitated an insurance claim for this matter and Reno has received funding from that claim in the amount of \$242,780.85 (Sewer Fund) to apply towards the costs associated with cleanup, repair, and equipment replacement related to damages from the fire.

Related costs:

- \$32,235.63, initial clean up (KG Walters/Coit)
- \$43,920.26, additional site repair (drywall/insulation estimate)
- \$50,000 insurance deductible
- \$124,400 Aerzen Blower

Total: \$250,555.89

To date, cleanup costs have been paid in the amount of \$32,235.63. A quote for additional site repair costs for drywall/insulation installation has been provided in the amount of \$43,920.26. This work will be done after the new blower is installed. Meanwhile, staff recommends purchasing the equipment, the blower, in the amount of \$124,400.

The total anticipated costs from the fire are anticipated to be \$250,555.89.

Once the replacement blower is delivered, staff will install the equipment, and coordinate with the manufacturer for installation inspection, startup, and training.

Financial Implications:

Funding for this purchase is available in the Sewer Fund with the proceeds from settlement of the insurance claim applied to this equipment cost.

Legal Implications:

NRS 332.115(d) allows the outright purchase of this equipment as it is exempt from competitive bidding as a replacement part compatible with existing equipment.

Recommendation:

Staff recommends Council to approve the purchase of one (1) positive displacement blower package from Aerzen USA Corporation in the amount of \$124,400 (Sewer Fund) for use at the Reno Stead Water Reclamation Facility pursuant to NRS 332.115(d).

Proposed Motion:

I move to approve the staff recommendation.

Attachments:

Aerzen GM 60S Blower Quote