

## STAFF REPORT

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**Date:** April 10, 2024

**To:** Mayor and City Council

**Through:** Doug Thornley, City Manager

**Subject:** Staff Report (For Possible Action): Approval of Consultant Agreement with Tectonics Design Group for design and construction administration services for the Neil Road Facility Remodel and Expansion project in an amount not to exceed \$342,583. (ARPA Fund)

**From:** Justin George, Senior Civil Engineer

**Department:** Public Works

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**Summary:**

This item is for the approval of a Consultant Agreement with Tectonics Design Group to design the Neil Road Facility Remodel and Expansion project. The Neil Road facility has been leased by St. Mary's and is currently leased to the Community Health Alliance (CHA) to provide critical healthcare services to a traditionally underserved community. The scope of this project is to remodel the existing 5,120-square-foot facility and expand it with an additional 3,500 square feet of space. This will allow additional space to be leased to a healthcare provider focused on providing services to underserved facilities.

A consultant working with CHA estimated the total project cost to be approximately \$5 million for design, permitting, and construction. Council allocated \$5 million from American Rescue Plan Act (ARPA) funds for the Access to Healthcare priority category and approved the Neil Road Facility Remodel and Expansion project. Any additional funding needed for the project will come from other sources, such as community and healthcare partners.

ARPA funds are required to be awarded to a project before December 31, 2024. The design for this project will be completed by the end of July 2024 to advertise for bids and award a construction contract in December 2024. Construction is anticipated to begin in January 2025 and is expected to take 18 to 22 months.

Staff recommends Council approve the Consultant Agreement with Tectonics Design Group for design and construction administration services for the Neil Road Facility Remodel and Expansion project in an amount not to exceed \$342,583.

<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>0.04%</b>	

**Alignment with Strategic Plan:**

Economic Opportunity, Homelessness, and Affordable Housing  
Infrastructure, Climate Change, and Environmental Sustainability  
Economic and Community Development

**Previous Council Action:**

March 8, 2023 – Council approved an additional \$2,000,000 ARPA fund allocation to the Access to Healthcare priority category and approved the Neil Road Facility Remodel and Expansion project with an allocation of \$5,000,000.

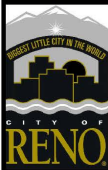
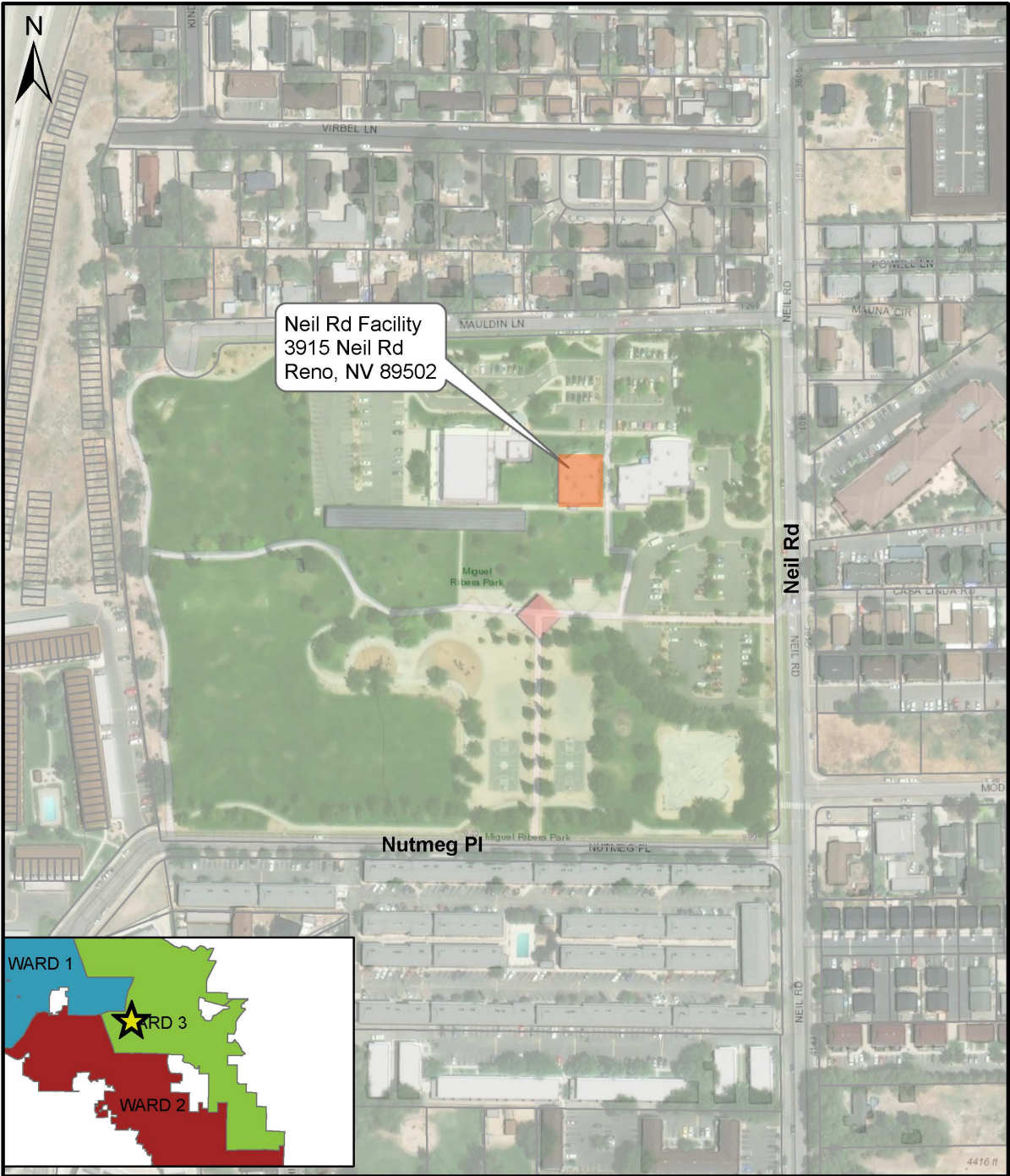
January 26, 2022 – Council allocated \$24,499,998.50 of ARPA funds to seven priority categories as a result of the public engagement process, including \$3,000,000 for Access to Healthcare.

August 25, 2021 – Council accepted the \$51,519,997 State and Local Fiscal Recovery Funds (SLFRF) allocated through ARPA and directed staff to begin a public engagement process.

**Background:**

The facility at 3915 Neil Road, shown on the vicinity map, is currently being leased to a healthcare organization providing critical healthcare services to a traditionally underserved community. Council allocated \$5,000,000 of ARPA funds for the Access to Healthcare priority category during the March 8, 2023, and January 26, 2022, Council meetings. Also, during the March 8, 2023, meeting Council approved the Neil Road Facility Remodel and Expansion project for use of the \$5,000,000 ARPA funds dedicated to the Access to Healthcare priority category. This project will expand and remodel the facility at 3915 Neil Road to increase the healthcare services provided to the community at this facility.

Vicinity Map



City of Reno  
Public Works

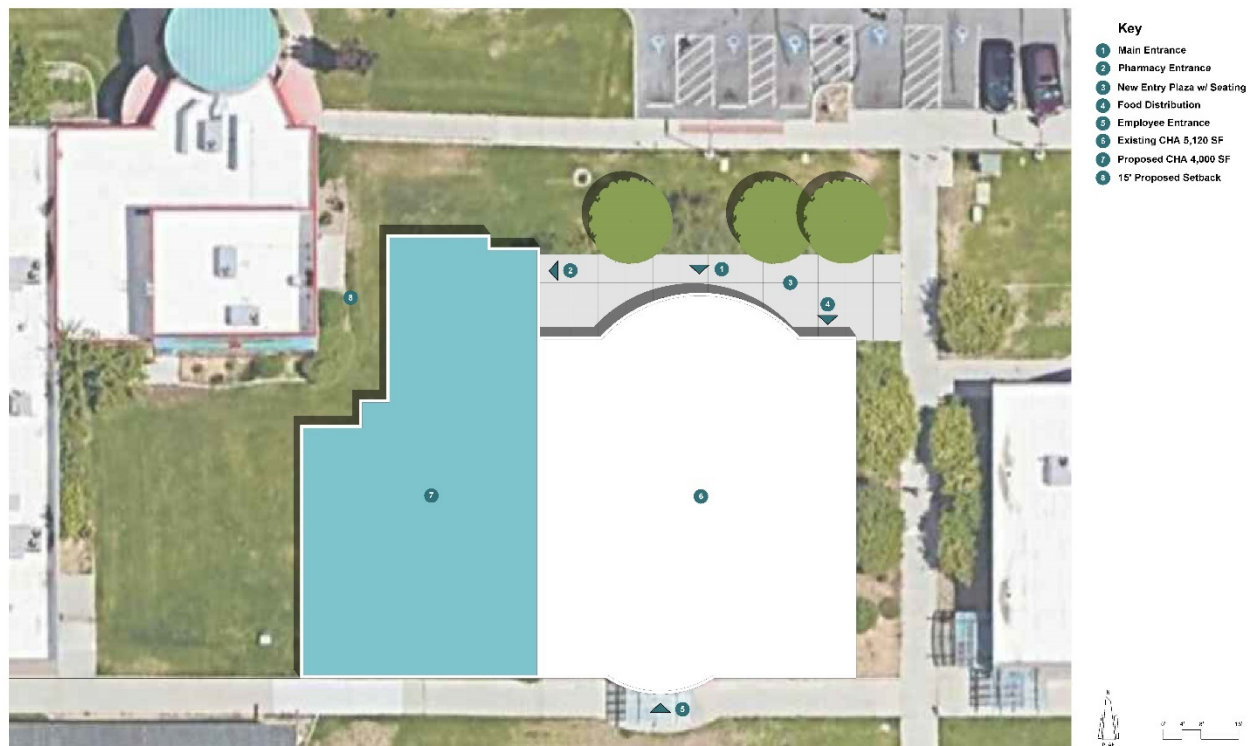
**NEIL RD FACILITY**  
**VICINITY MAP**

Date: February 2024

The information heron is  
approximate and is intended  
for display purposes only.

**Discussion:**

The facility at 3915 Neil Road is an existing 5,120-square-foot facility that provides healthcare services. The Neil Road Building Remodel and Expansion project is planned to expand the area of this facility with a 4,000-square-foot addition and remodel of the existing 5,123-square-foot facility. Figure 1 is a conceptual site plan showing the existing facility for remodeling and the location for the new expansion.



**Figure 1. Conceptual Site Plan**

The planned expansion and remodel will allow current and future healthcare providers the opportunity to expand the healthcare services provided at this facility. Figure 2 is a conceptual floor plan showing the anticipated layout for the renovated healthcare facility.



**Figure 2. Conceptual Floor Plan**

The schedule for this project is tight as shown in Table 1 below. Dates are tentative and subject to change, with the exception of awarding the construction contract that staff anticipates bringing to Council at the December 4, 2024, meeting. ARPA funds are required to be awarded by December 31, 2024, and spent by December 31, 2026.

<b>Table 1. Project Schedule</b>	
Award Consultant Agreement	April 10, 2024
Design	April – July, 2024
Estimate of probability of construction cost	July 2024
Advertise/Bidding	September 2024
Plan Review & Permitting	September – December, 2024
Council Award	December 2024
ARPA award deadline	December 31, 2024
Construction	January 2025 – October 2026
ARPA expenditure deadline	December 31, 2026

Staff prepared a preliminary project budget shown in Table 2. The project budget is a high-level cost estimate that is based on unit costs for similar types of work. The total project including a building remodel shown in Figure 2 is anticipated to be approximately \$9 million, but this

project will only include the 3,500 square foot expansion. Included in the project budget are design and construction administration services fees, construction costs, plan review and permitting fees, utility fees required for facility expansion and remodels, special inspection fees for services during construction, and a design contingency to account for unknown conditions that could increase costs for scope changed during design and/or materials and labor costs that have the possibility to increase before bidding.

The City has allocated \$5 million to this project from ARPA funds. The project costs above \$5 million will have to come from other sources, such as funding from community partners. During the final phase of the design process, an estimate of probability of construction cost will be prepared to narrow in on a more cost-certain construction estimate based on the final design of the expansion and remodel. Not included in the project cost are furniture, fixtures, and equipment (FF&E). The FF&E for this project is to be procured by the current tenant.

<b>Table 2. Project Budget</b>	
Design & construction administration	\$ 342,583
<b>New Expansion</b>	
Construction	\$ 3,610,000
Plan review & permitting	\$ 55,000
Utilities (gas, electric, water, sewer, communications)	\$ 225,000
Construction services	\$ 599,000
Design contingency	\$ 725,000
Subtotal	\$ 5,214,000
<b>Remodel Existing Space</b>	
Construction	\$ 2,310,000
Plan review & permitting	\$ 35,000
Utilities (gas, electric, water, sewer, communications)	\$ 100,000
Construction services	\$ 350,000
Design contingency	\$ 475,000
Subtotal	\$ 3,270,000
<b>Grand Total</b>	<b>\$ 8,826,583</b>

Design and construction administration for this project will be provided by Tectonics Design Group. They are a local architecture and engineering firm that has worked on a wide range of commercial projects throughout the region. Staff will administer the consultant agreement and coordinate floor plan layout and plan reviews.

The scope of services provided in this consultant agreement includes ALTA/site survey;

architectural and geotechnical engineering; structural engineering; civil engineering; landscape architecture; mechanical, plumbing, and electrical engineering; and construction administration.

Nevada law prohibits the competitive bidding of engineering, architectural, or land surveyor services; therefore, the City of Reno, Public Works Department has established a selection process based on competence and qualifications. Tectonics Design Group was selected from the City's Architectural Services unranked list of consultants from the 2024 Statement of Qualifications (SOQ) list.

The consequences of not approving this consultant agreement will result in a loss of federal funding due to a delay in the design, bidding, and award of a construction contract for this project. To utilize ARPA funds the project needs to be awarded prior to December 31, 2024.

**Financial Implications:**

This agreement will be funded by ARPA funds.

**Legal Implications:**

Legal review completed for compliance with City procedures and Nevada law. The parties are bound by the terms of the agreement as prepared by the Office of the City Attorney.

**Recommendation:**

Staff recommends Council approve the Consultant Agreement with Tectonics Design Group for design and construction administration services for the Neil Road Facility Remodel and Expansion project in an amount not to exceed \$342,583 and authorize the Mayor to sign.

**Proposed Motion:**

I move to approve staff recommendation.

**Attachments:**

Consultant Agreement