

STAFF REPORT

Date: April 9, 2025

To: Mayor and City Council

Through: Jackie Bryant, City Manager

Subject: Staff Report (For Possible Action): Approval of a Professional Services Agreement for Independent Cost Estimating Services with Pre Construction Services Group, LLC. for the Truckee Meadows Water Reclamation Facility New Dewatering Building Project in the amount of \$304,815 with Reno's share being \$209,194.53. (Sewer Fund)

From: Matt Smith, Senior Civil Engineer

Department: Utility Services

Summary:

The Truckee Meadows Water Reclamation Facility (TMWRF) New Dewatering Building Project is in the design and preconstruction phase with Jacobs Engineering, Inc. as the engineer and PCL Construction, Co. as the construction manager at risk (CMAR). A key part of the CMAR process is cost estimating through all design phases, where project team, including the engineer, CMAR, and an independent cost estimator (ICE), collaborates on cost estimates. A request for qualifications (RFQ) was issued and identified Pre Construction Services Group, LLC (PCSG) as the best qualified consultant for independent cost estimating. This agreement with PCSG will provide more certainty on unit costs, material costs, and labor costs for the TMWRF New Dewatering Building Project. Staff recommends Council approve the Agreement for Professional Services with PCSG for \$304,815 (Reno's share of \$209,194.53 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?	0.03%	

Alignment with Strategic Plan:

Infrastructure, Climate Change, and Environmental Sustainability

Fiscal Sustainability

Previous Council Action:

- May 25 2022 - Council approved a pre-design and evaluation agreement with Jacobs for \$1,147,233
- August 23, 2023 – Council approved a design and construction management at risk agreement for \$4,066,496
- November 13, 2024 – Council approved the selection of PCL construction and approved the owner-CMAR pre-construction services agreement for \$992,539

Background:

The TMWRF New Dewatering Building project is currently underway at the 30 percent design development stage with the CMAR and the engineer providing cost estimates for the project. A benefit of the CMAR process is that the contractor will provide open-book estimates for the work to be completed at the different milestones for the project which helps the owner and engineer reconcile costs and quantities for the work. An ICE is a typical partner in a CMAR project and is relied upon to analyze the contract documents and improvement plans to determine how much the construction portion of the work will cost without being involved in the design development or the construction of the project. An independent cost estimator will also negotiate costs with the contractor and provide evidence and data for adjusting the cost that the CMAR proposes. The ICE will utilize their cost estimate, the detailed open-book estimate from the CMAR, and the engineer's cost estimate to advocate on behalf of the City if the costs provided by the CMAR and/or engineer are not within a fair and justifiable range, thus saving in overall construction costs. It is critical for the ICE to be engaged with the project team and facilitate cost estimating and negotiations at the 30, 60, and 90 percent milestones for the project.

As part of the TMWRF Capital Improvement Program (CIP), the "Risk Ranking" and paired comparison of infrastructure process identifies project priorities, condition, and risk of failure. The Fiscal Year 25/26 ranking process identified the New Dewatering Building as priority #1 and has been ranked as priority #1 for the last 7 years.

Discussion:

The independent cost estimating portion of this project includes estimating and analyzing the engineer's and CMAR's proposed cost model and schedule. The ICE will estimate and negotiate unit costs, labor benefits, and schedules. The ICE will also gather cost estimates from manufacturers and equipment suppliers to ensure accurate costing information.

Due to the need for cost certainty and independent costs estimates for the project, it is proposed

to acquire an ICE for the TMWRF New Dewatering Building project. Without an ICE, the CMAR could propose unjustifiable higher costs, potentially making the construction project more expensive. PCSG was selected through a Request for Qualifications process and is a qualified cost estimating consultant with experience in wastewater facility and dewatering building construction.

Financial Implications:

The Dewatering Building ICE 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. 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 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 the City of Reno are budgeted in the Sewer Fund.

Table 1 – Cost Sharing Between Reno and Sparks

Total Cost of Agreement	Reno Share	Sparks Share
\$304,815	\$209,194.53	\$95,620.47
Percentages	68.63%	31.37%

Legal Implications:

The parties are bound by the terms of the agreement as prepared by the Office of the City Attorney.

Recommendation:

Staff recommends Council approval of the consultant agreement with PCSG for independent cost estimating services for the TMWRF New Dewatering Building Project in an amount not to exceed \$304,815 with the City of Reno's portion being \$209,194.53 (Sewer Fund), and authorize the Mayor to sign.

Proposed Motion:

I move to approve the staff recommendation.

Attachments:

- Area & Vicinity Map for TMWRF New Dewatering Building ICE
- Agreement and Scope with Pre-Construction Services Group, LLC ICE