

STAFF REPORT

Date: May 7, 2025

To: Mayor and City Council

Through: Jackie Bryant, City Manager

Subject: Staff Report (For Possible Action): Award of Contract to KP Construction, Inc. for the North Valleys Corp Yard Phase 1 project in the amount of \$3,465,000. (Street Fund and Sewer Fund) [Ward 4]

From: Justin George, Senior Civil Engineer

Department: Public Works

Summary:

In 2022, Council approved the purchase of property on North Virginia Street near Lemmon Drive for the North Valleys Corp Yard maintenance and operations satellite facility. This item is to award a construction contract for the North Valleys Corp Yard Phase 1 project. This project's scope of work primarily consists of site grading, utility improvements, fencing, landscaping, paving and structure erection for streets crews to store salt and sand along with brine to serve the north valleys neighborhoods during winter and for streets and sewer crews to have a wash rack and drying bays. This will help to provide timely streets and sewer crew response to north valleys neighborhoods, save fuel costs, help extend the life cycle of fleet vehicles and equipment, and provide an alternative operating location in the event of a natural disaster.

Two bids were received and opened on April 11, 2025. KP Construction, Inc. submitted the best bid pursuant to the requirements established in Nevada Revised Statute Chapter 338. This project is included in the City's Capital Improvement Plan budget for fiscal year 25. The work for the North Valleys Corp Yard Phase 1 Project is scheduled to begin this summer and be completed by fall 2025. Full buildout of the North Valleys Corp Yard site will be constructed in phases over the next eight years and the total project cost is estimated to be between \$14 to \$16 million.

Staff recommends Council award the contract to KP Construction, Inc. for the North Valleys Corp Yard Phase 1 project in an amount not to exceed \$3,465,000, which includes a contingency of \$320,000.

Consent Review	Yes	No
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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?		0.36 %

Alignment with Strategic Plan:

Fiscal Sustainability

Infrastructure, Climate Change, and Environmental Sustainability

Governance and Organizational Effectiveness

Previous Council Action:

October 23, 2024: Council approved a Resolution to augment the budget of the City of Reno, Nevada, for FY24/25; and approved budget revisions for the period of July 1, 2024 through September 30, 2024.

July 27, 2022: Council directed the City Manager to negotiate the purchase and sale agreements to acquire 9390 North Virginia Street and 9446 North Virginia Street for a maintenance and operations satellite yard.

Background:

The City's Corporation Yard headquarters located on East Commercial Row currently occupies approximately 10 acres. The headquarters is landlocked by the Truckee River, freeway, railroad, and a petroleum distribution company. To better serve the north valleys neighborhoods, a satellite Corporation Yard is proposed to provide more timely streets and sewer response, reduce fuel costs, extend the life cycle of fleet vehicles and equipment, and provide an alternative operating location in the event of a natural disaster. This will improve the customer experience through faster response times. Servicing north valleys neighborhoods during severe weather or infrastructure failures has increasingly become problematic, particularly during peak commute hours. The proposed facility recognizes the need to keep pace with Reno's growing community.

The Maintenance and Operations Department previously identified a suitable site for satellite operations, located at 9390 North Virginia Street and 9446 North Virginia Street, that is geographically ideal to serve north valleys neighborhoods. Council approved purchase of the properties in July 2022. The surrounding commercial zoning will enable maintenance operations twenty four hours per day, seven days per week. Full build out of the site will include street and sewer equipment storage, salt-sand and brine storage for snow removal, storage for parks equipment, garages for storage and maintenance of fleet vehicles and equipment, and

administration offices for Maintenance and Operations Department. This will provide a better location for staff and support equipment closer to serve critical infrastructure needs in the north valleys neighborhoods, while keeping pace with Reno's growing community. Maintenance and Operations Department determined the priority is to grade and fence the site, install underground utilities, and construct facilities for salt and sand operations during the winter months. Further phases of the project will include full site paving and garage and office building construction.

Discussion:

The proposed North Valleys Corp Yard maintenance and operations satellite facility is located in Ward 4 on North Virginia Street, north of Lemon Drive. The facility and its construction phases were conditionally approved by Development Services on May 10, 2024, under Site Plan Review SPR24-00016. The location is shown on the Vicinity map below.

North Valleys Corp Yard Vicinity Map



City of Reno
Public Works

NORTH VALLEYS CORP YARD VICINITY MAP

Date: April 2025

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

Phase 1 improvements include grading, drainage, fencing, asphalt paving, concrete work, utility improvements, procurement and assembly of a salt and sand storage unit, a brine mixing system, brine storage tanks, landscaping improvements, and other miscellaneous work on the City owned parcels.

Staff conducted a public bid for this project. Staff received and opened two bids for the North Valleys Corp Yard Phase 1 project on April 11, 2025. KP Construction, Inc. submitted the best bid pursuant to the requirements established in NRS Chapter 338. KP Construction, Inc. is a local general contractor licensed in Nevada.

Table 1 – Bid Summary

Bidder	Total Bid Price
Engineer's Estimate	\$3,529,751
KP Construction, Inc.	\$ 3,145,000
M4 Engineering	\$ 4,105,100

Staff recommends award to KP Construction, Inc. for the North Valleys Corp Yard Phase 1 project in the amount not to exceed \$3,465,000 which includes a \$320,000 contingency for unforeseen items encountered during construction.

Table 2 – Recommended Bid Award

North Valleys Corp Yard Phase 1 Project	\$ 3,145,000
Contingency	\$ 320,000
Bid Award	\$ 3,465,000

The consequences of not awarding this bid today will result in increased costs from having to rebid the project later in the year when construction bidding is not favorable for projects of this type. Not awarding this bid today will also defer construction to later in the year or possibly next year, so the improvements would not be utilized by streets and sewer crews this winter to plow snow and apply brine to the streets in the north valleys neighborhoods

Financial Implications:

Funding for this project is available in the Street Fund and Sewer Fund as identified in the City of Reno FY25 Capital Improvement Program.

Table 3 below shows the cost allocations for each fund.

Table 3 – Cost Allocation of Street Fund and Sewer Funds

	Recommended Award Amount	Street Fund	Sewer Fund
KP Construction, Inc.	\$ 3,465,000	\$1,143,450	\$ 2,321,550
Percentages		33%	67%

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law. This project was competitively bid in accordance with Chapter 338 of the Nevada Revised Statutes. KP Construction, Inc. submitted the lowest responsive and responsible bid and maintains the proper license to perform the project.

Recommendation:

Staff recommends Council award the contract to KP Construction, Inc. for the North Valleys Corp Yard Phase 1 Project in the amount of \$3,465,000 and authorize the Mayor to sign the contract.

Proposed Motion:

I move to award the contract to KP Construction, Inc. for the North Valleys Corp Yard Phase 1 Project in the amount of \$3,465,000 and authorize the Mayor to sign the contract.

Attachments:

N Valley Corp Yard Ph 1_Contract_KP Construction