

STAFF REPORT

Date: August 10, 2022

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Award of Contract to Granite Construction Company, for the Dry Creek Restoration Project in the amount of \$4,713,463. (Sewer Fund)

From: Theresa Jones

Department: Utility Services

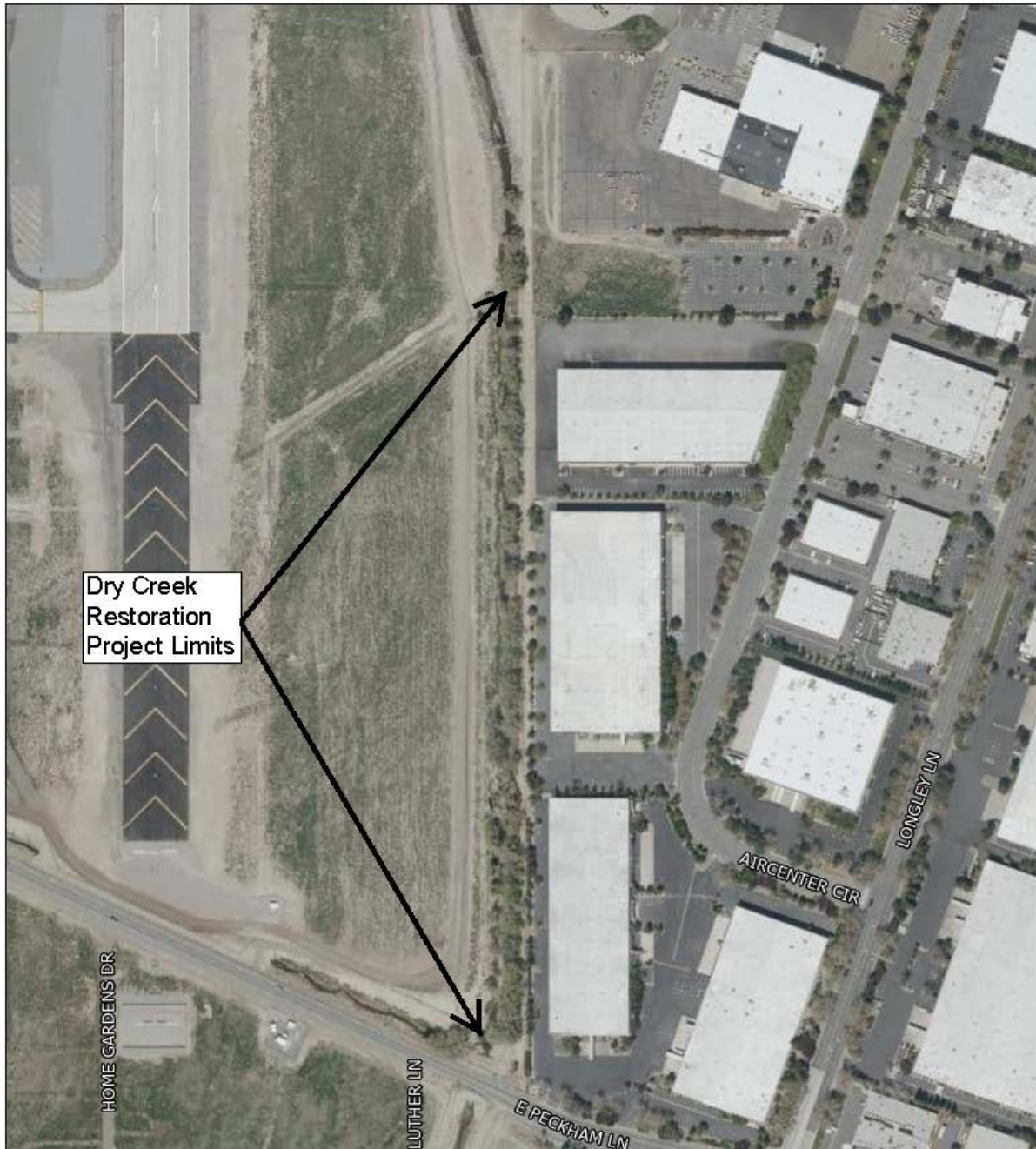
Summary: Channel and bank erosion within a portion of Dry Creek that runs along the southeast corner of the Reno Tahoe Airport (RTA) is damaging the adjacent maintenance access road and security fencing along the airport's eastern property line. Stabilization of this section of Dry Creek is a priority to prevent further erosion and a possible breach of the airport security fencing. This section of the Dry Creek is the City's responsibility to maintain. Staff recommends Council award the contract to Granite Construction in an amount not to exceed \$4,713,463.

Alignment with Strategic Plan: Infrastructure, Climate Change, and Environmental Sustainability

Previous Council Action: July 24, 2019 – Council approved a Consultant Agreement with Dyer Engineering Consultants, Inc., for the Dry Creek Restoration Project design in the amount not to exceed \$292,523.25.

Discussion: Approximately 1900 feet of Dry Creek that runs along the southeast corner of the RTA eroded during flood events in early 2017, threatening the airport security fencing along the eastern edge of the Reno Tahoe Airport. Stabilization of this section of Dry Creek is a priority for the City of Reno and for the Reno Tahoe Airport, as further erosion will soon breach the security fence along the eastern airport property boundary. Project limits are shown on the location map below.

Dry Creek Restoration Project



City of Reno, NV
Department of Public Works
Source: Public Works Enterprise GIS Portal

Disclaimer: This map data is for general reference only and is subject to conditions change and updates. The entire risk as to quality, performance and usefulness of this map data rests with the user.



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Portions of the west and east channel banks are encroaching into the adjacent airport maintenance road and destabilizing the airport security fence along the eastern property boundary. Channel bank erosion encroaching into the airport security fence can be seen in Figure 1 below.

Dry Creek Bank Erosion



Figure 1: Bank erosion along the airport's east perimeter fence

The City of Reno is responsible for maintaining this section of Dry Creek and hired Dyer Engineering Consultants, in 2019 to design stabilization measures, develop contract documents and obtain necessary USACE and NDEP permitting to construct the project.

Staff received and opened three bids for the Dry Creek Restoration Project on July 18, 2022. Granite Construction Company submitted the best bid pursuant to the requirements established in Nevada Revised Statute (NRS) Chapter 338. Bid results are summarized below in Table 1 – Bid Summary.

Table 1 – Bid Summary

Dry Creek Restoration Project	Granit Construction Company	Q&D Construction LLC	Aspen Developers Corporation	Engineer's Estimate
Total Bid	\$4,463,463	\$4,477,400	\$5,996,695	\$3,001,975

Estimating the probable cost of this project proved difficult as there were no recently awarded creek restoration projects of this type with the constraints of working within the Reno Tahoe Airport and Runway Protection Zones (RPZs). The large quantities of excavation/earthwork and class 300 rip-rap, along with the installation of permanent Airport Operation Area (AOA) fencing were difficult to price, and small pricing differences between the contractor's bid and the engineer's estimate compounded the gap between the engineer's estimate and the best bid. Also, staff assumes contractors saw additional risk in the tree removal bid item (150 plus trees) along with the water diversion of Dry Creek, providing bids for these items up to 10 times the engineer's estimate in all three bids. However, given the constraints listed above along with recent escalation in construction material, labor, and fuel costs, and supply chain challenges, staff has determined the best bid is reasonable. Table 2 – Recommended Bid Award is provided below.

Table 2 – Recommended Bid Award

Dry Creek Restoration Project – Base Bid	\$4,463,463
Contingency	\$ 250,000
Bid Award	\$4,713,463

Further erosion, a breach of the airport security fencing, along with inflation of construction costs, and the expiration of environmental permits acquired for this project are the likely consequence if this project is not awarded.

Financial Implications: Funding for this project will be provided from the Sewer Fund as identified in the FY22/23 Capital Improvement Program.

Legal Implications: This Contract was competitively bid in accordance with Chapter 338 of the Nevada Revised Statutes (NRS). NRS 338.147 provides that a local government shall award a contract for a 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. Granite Construction maintains the proper licenses to construct the project and submitted the best bid pursuant to City procedures and Nevada Law.

Recommendation: Staff recommends Council award the contract to Granite in the amount of \$4,713,463 and authorize the Mayor to sign.

Proposed Motion: I move to approve staff recommendation.

Attachments:

Dry Creek Restoration Project Bid - Granite Construction Company