



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: January 8, 2019

DATE: December 7, 2018

TO: Board of County Commissioners

FROM: Alan Jones, Sr. Licensed Engineer, Engineering and Capital Projects
Community Services Department, 954-4651, ajones@washoecounty.us

THROUGH: Dwayne Smith, P.E., Division Director, Engineering and Capital Projects,
Community Services Department, 328-2043, desmith@washoecounty.us

SUBJECT: Recommendation to approve Amendment No. 1 to the Agreement for Construction Services, [increasing the contract amount by \$986,204.55 for a total contract amount of \$13,816,204.55] and extending the contract date to August 31, 2019, for the South Truckee Meadows Water Reclamation Facility Biosolids Facilities Project. (Commission District 2.)

SUMMARY

The Board of County Commissioners (Board) awarded a bid for the South Truckee Meadows Water Reclamation Facility (STMWRF) Biosolids Facilities project to KG Walters Construction Co., Inc., for a contract amount of \$12,830,000 on December 9, 2014. The scope of the project was to construct a bio-solids processing facility at the STMWRF providing Washoe County the ability to treat and properly dispose of waste bio-solids associated with waste water flows from the South Truckee Meadows.

During the course of the project several necessary items including additional underground utility piping and pumping, enhanced instrumentation and computer controls were added to provide improved operation of the facility. In addition there were costs associated with design changes for increased aeration, upgraded blowers and digester controls that were made by the designer during construction. Attachment A provides all information on changes to date.

There is currently analysis work being done to identify what portion of these associated additional costs will be returned to the Utility through negotiation with the design engineer. Overall these necessary changes have resulted in construction cost increases that exceed the allowed thresholds and require the Board of Commissioners approval to amend and extend the contract.

If directed by the Board, this request to amend the contract will increase the approved contract amount from \$12,830,000.00 to \$13,816,204.55 and extend the contract period to August 31, 2019. Sufficient funding for these additional construction costs exist within the Utility Fund 566 and are appropriately derived from sewer rate charges and developer sewer connection fees.

AGENDA ITEM # _____

Washoe County Strategic Objective supported by this item: Safe, secure and healthy communities.

PREVIOUS ACTION

On December 9, 2014, the Board awarded a bid and approved the Agreement Form to the lowest responsive, responsible bidder for the South Truckee Meadows Water Reclamation Facility Biosolids Facilities Project, KG Walters Construction Company, Inc., in the amount of \$12,830,000.

On October 8, 2013, the Board approved an Agreement for Consulting Engineering Services between CH2M Hill and Washoe County, to provide engineering design services for the South Truckee Meadows Water Reclamation Facility Solids Management Project, in the amount of \$911,500.

On November 8, 2011, the Board awarded a bid and approved the Agreement Form to the lowest responsive, responsible bidder for the South Truckee Meadows Water Reclamation Facility 2011 Rehabilitation and Enhancement Project to KG Walters Construction Co., Inc., in the amount of \$1,733,000.

On November 8, 2011, the Board approved an Agreement for Consulting Engineering Services between CH2M Hill and Washoe County, to provide preliminary engineering services for the South Truckee Meadows Water Reclamation Facility 2012 Rehabilitation and Enhancement Project, including Task 3 - Solids Processing Preliminary Engineering, in the amount of \$994,850.00.

On July 11, 2011, the Washoe County Purchasing and Contracts Manager approved an agreement for Consulting Engineering Services between Kennedy Jenks Consultants and Washoe County to provide concept-level planning services for waste solids treatment and disposal strategies for South Truckee Meadows Water Reclamation in the amount of \$49,000.

On August 20, 2002, the Board adopted the South Truckee Meadows Water and Wastewater Facility Plan.

BACKGROUND

Washoe County owns and operates the South Truckee Meadows Water Reclamation Facility (STMWRF), which provides sewer treatment to approximately 13,000 homes and businesses within southern Washoe County, including portions of the City of Reno. The facility was commissioned in 1990 and expanded in 2003. STMWRF is presently configured to treat up to 4.1 million gallons of sewage per day (mgd).

A product of the biological treatment process utilized at STMWRF is waste activated sludge – commonly referred to as waste solids, solids, or sludge. Since 1999, waste solids have been conveyed to the Truckee Meadows Water Reclamation Facility (TMWRF) for final treatment and disposal. Over the past several years, concept and

preliminary engineering studies have concluded that developing on-site sludge treatment facilities at STMWRF is in the region's best interest, based upon:

- Increasing costs associated with treatment processes at TMWRF, which now approach \$800,000 per year, has made onsite waste solids treatment at STMWRF a feasible economic alternative.
- Regional water managers have identified non-economic benefits of completely discontinuing the practice of treating STMWRF waste solids at TMWRF. Most important to the region is reducing the total amount of constituents, including nitrogen, treated at TMWRF and discharged to the Truckee River.

The new facilities include an aerobic sludge digester and a new building that houses the mechanical, chemical, electrical, and process control equipment and allow for the treatment of all the sludge presently generated at STMWRF.

The original contract amount was \$12,830,000 and the new contract amount that has been requested for approval is \$13,816,204.55. The change is an increase of \$986,204.55 or 7.7 % of the original contract amount and purchase order.

FISCAL IMPACT

The South Truckee Meadows Water Reclamation Facility Biosolids Facilities project was approved by the Board in the Capital Improvement Plan for FY 2019-2023. Funds and budget authority for the project exist in the Utilities Fund (566). To accommodate the \$986,204.55 change order, a budget adjustment will be processed in FY19 to move sufficient authority into project WR495112 account 781080 (Construction Contracts). Revenues and cash in support of this project are provided from monthly sewer rate charges (66.4%) and developer sewer connection fees (33.6%).

RECOMMENDATION

It is recommended that the Board of County Commissioners approve Amendment No. 1 to the Agreement for Construction Services, [increasing the contract amount by \$986,204.55 for a total contract amount of \$13,816,204.55] and extending the contract date to August 31, 2019, for the South Truckee Meadows Water Reclamation Facility Biosolids Facilities Project.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be. "Move to approve Amendment No. 1 to the Agreement for Construction Services, [increasing the contract amount by \$986,204.55 for a total contract amount of \$13,816,204.55] and extending the contract date to August 31, 2019, for the South Truckee Meadows Water Reclamation Facility Biosolids Facilities Project."