



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: August 31, 2020

DATE: July 17, 2020

TO: Board of County Commissioners

FROM: Megan Sizelove, P.E., Project Manager, Engineering and Capital Projects
Community Services Dept., 328-2316, msizelove@washoecounty.us

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

SUBJECT: Recommendation to authorize the Construction-Manager-At-Risk (CMAR), MWH Constructors and KG Walters Construction (MWH&KGW), a joint venture, and approve the Owner-CMAR construction agreement, to procure and supply Enclosed Screw Pumps and Perforated Plate Escalator Screen under a Guaranteed Maximum Price agreement, GMP 2A, a separate guaranteed maximum price agreement for the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project in the amount of [\$1,236,283]. (Commission District 2.)

SUMMARY

The Community Services Department (CSD) Utility is requesting authorization for our Construction-Manager-At-Risk (CMAR), with MWH Constructors and KG Walters Construction, a joint venture, (MWH&KGW), to procure and supply the Enclosed Screw Pumps and Perforated Plate Escalator Screen, equipment required for the South Truckee Meadows Water Reclamation Facility (STMWRF) 2020 Expansion Project (Project) located at 8500 Alexander Lane in Reno, Nevada.

Due to long lead times associated with manufacturing this equipment staff determined it is critical to the overall project schedule to authorize the CMAR to procure the equipment in advance of initiating the field work at the headworks and screening building. The CMAR scope of work for GMP 2A is to initiate the manufacturing of the enclosed screw pumps (total 3) and perforated plate escalator screen (total 1) which will be installed by the CMAR during a future Project construction phase.

As the Project CMAR, MWH&KGW initiated a competitive process for the procurement of the required equipment as required under NRS 338 and subsequently, Washoe County and MWH&KGW negotiated a Guaranteed Maximum Price (GMP) for the referenced equipment in the amount of \$1,236,283.00, which includes the total competitive bid price of the equipment in an amount of \$1,090,689.00, CMAR overhead and profit in the amount of \$130,882.00 and bonds and insurance in the amount of \$9,380.00. A total of \$5,332.00 is included in the GMP for Owner allowance/contingencies in the event there are additional scope items that need to be added to the project or changes to specifications after the GMP has been approved.

AGENDA ITEM # _____

Future phases of the STMWRF expansion will include improvements to influent pumping, headworks, digesters, dewatering process, electrical services, with the final phase being the actual capacity expansion. These future phases will be packaged to allow scheduling efficiency and cost savings as the design packages for these areas are completed.

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

PREVIOUS ACTION

On May 26, 2020, The Board of County Commissioners (Board) approved an Agreement for Professional Consulting Services for Construction Management Services between Washoe County and HDR Engineering, Inc., in support of the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project in the amount of \$5,305,577.27.

On April 21, 2020, the Board adopted an ordinance authorizing the issuance by Washoe County, Nevada of its General Obligation (Limited Tax) Sewer Bond additionally Secured by Pledged Revenues) Series 2020 in the maximum principal amount of [\$27,000,000] for the purpose of financing sewerage projects for the County; providing the form, terms and conditions thereof and covenants relating to the payment of said bond; and providing for its adoption as if an emergency exists; and providing other matters relating thereto.

On January 12, 2020, the Board approved an Agreement between Washoe County and MWH Constructors/KG Walters Construction for CMAR Pre-Construction Services for the South Truckee Meadows Water Reclamation 2020 Facility Expansion Project within the South Truckee Meadows Water Reclamation Facility service territory in the amount of \$631,280.

On June 11, 2019, the Board approved an Agreement for Professional Consulting Services for the Washoe County South Truckee Meadows Wastewater 2020 Expansion Project Owner's Representative Services between Washoe County and Jacobs Engineering Group for Phase I design services and facility plan updates in the amount of \$1,530,922.

On May 21, 2019, the Board approved the Capital Improvements Plan for Fiscal Years 2020-2024.

On March 26, 2019, the Board held a public hearing on the County's intent to issue General Obligation (Limited Tax) Sewer Bonds (Additionally Secured by Pledged Revenues).

On February 26, 2019, the Board adopted a resolution of intent to issue general obligation sewer bonds in the maximum principal amount of \$50,000,000 for construction of needed sewer utility projects as identified in the South Truckee Meadows Water Reclamation Facility Plan.

On February 15, 2019, and as required per NRS 350.14, the Washoe County Debt Management Commission approved a resolution concerning the submission to the Washoe County Debt Management Commission of a proposal to issue Washoe County, Nevada General Obligation Sewer Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$50,000,000; and approved certain details in connection therewith.

On February 12, 2019, the Board approved an Agreement for Professional Consulting Services for the Washoe County South Truckee Meadows Wastewater 2020 Expansion Project Owner's Representative Services between Washoe County and HDR Engineering in the amount of \$375,244.

On January 15, 2019, the Board adopted a resolution directing the Clerk to notify the Washoe County Debt Management Commission of the County's proposal to issue its Washoe County, Nevada General Obligation (Limited Tax) Sewer Bonds (additionally secured by pledged revenues) in the maximum principal amount of \$50,000,000 for sewer projects: providing certain details in connection therewith; and providing the effective date hereof.

On December 11, 2018, the Board directed staff to apply for a \$50 million loan from the State of Nevada Clean Water State Revolving Fund (SRF) Loan Program.

On March 10, 2015, the Board approved an agreement for consulting engineering services with Carollo Engineers Inc., in the amount of \$340,438, to provide planning and engineering services for the South Truckee Meadows Water Reclamation Facility 2015 Facility Plan Update Project.

BACKGROUND

Washoe County owns and operates the STMWRF which provides sewer treatment to approximately 13,000 homes and businesses within southern Washoe County, including significant 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). Wastewater influent flows to STMWRF are presently 3.5 million gallons per day and increasing approximately 3-percent annually.

Since STMWRF is nearing its permitting capacity, the State of Nevada Division of Environmental Protection requires that Washoe County update facility planning to ensure the next phase of sewer capacity is thoughtfully planned and ready when needed. Major infrastructure improvements at STMWRF can take 3-5 years to plan and construct. At this point in the project, it is estimated the cost of the expansion of STMWRF to respond to the needs to treat and manage additional flows, is between \$50 million and \$70 million. The actual cost will be determined through the facility needs, design and bidding process and this estimate should be considered only an estimate and is in alignment with current regional cost estimates and industry standards. All agreements for design and construction will be brought to the Board for review and approval as required. Funding for this project comes from connection fees paid by new development, collected under the terms of Washoe County utility ordinances.

The Washoe County Utility has proactively planned for the required expansion of the STMWRF and Huffaker Hills Effluent Reservoir Lining Project and has sought and received approval for up to \$50 million in loan funding from the State of Nevada Clean Water, State Revolving Fund (SRF). The Board adopted an ordinance authorizing the issuance of the first \$27M in support of the project and will request the remaining \$23M within 12 to 18 months.

FISCAL IMPACT

Sufficient budget authority in FY21 exists for the \$1,236,283 Owner-CMAR Construction Agreement in the Utilities Fund (566), STMWRF 2020 Expansion

(WR860109), Construction Contracts (781080). Revenues in support of the expansion project are provided from sewer connection fees collected from new development.

Funding for the project will initially come from the Utilities Fund. Periodic submission of project construction cost will be made on the 30-year loan from the State of Nevada State Revolving Fund (SRF) Clean Water program through the issuance of General Obligation Sewer bonds approved by the Board on April 21, 2020 thereby maintaining sufficient cash reserves within the Utilities Fund.

RECOMMENDATION

It is recommended the Board of County Commissioners authorize the Construction-Manager-At-Risk (CMAR), MWH Constructors and KG Walters Construction (MWH&KGW), a joint venture, and approve the Owner-CMAR construction agreement, to procure and supply Enclosed Screw Pumps and Perforated Plate Escalator Screen under a Guaranteed Maximum Price agreement, GMP 2A, a separate guaranteed maximum price agreement for the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project in the amount of [\$1,236,283].

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to authorize the Construction-Manager-At-Risk (CMAR), MWH Constructors and KG Walters Construction (MWH&KGW), a joint venture, and approve the Owner-CMAR construction agreement, to procure and supply Enclosed Screw Pumps and Perforated Plate Escalator Screen under a Guaranteed Maximum Price agreement, GMP 2A, a separate guaranteed maximum price agreement for the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project in the amount of [\$1,236,283]."