



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: June 8, 2021

DATE: May 6, 2021

TO: Board of County Commissioners

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

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

SUBJECT: Recommendation to approve Change Order No. 3, [in the amount of \$762,994.23], for Guaranteed Maximum Price work package #2 (GMP#2) which was approved for the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project, [increasing the approved contract amount to \$4,200,670.63]. Change Order No. 3 is for the installation of 14 dewatering wells and infrastructure necessary to lower the groundwater levels in project areas allowing for subgrade excavation and construction activities. This request conforms to Nevada Revised Statutes and Washoe County policy requirements for project cost increases exceeding \$25,000 or 5%, whichever is greater, of the original approved contract amount. (Commission District 2.)

SUMMARY

The Board of County Commissioners (Board) approved the initial Project Owner-CMAR Construction Agreement between Washoe County and MWH Constructors and KG Walters Construction (MWH&KGW), for Guaranteed Maximum Price #2 (GMP #2) in the amount of \$2,749,323.00 on November 10, 2020. The scope of work as part of GMP#2 includes the replacement of two existing influent pumps and installation of an additional influent pump and perforated plate screen. Due to the shallow groundwater in this area, dewatering activities are necessary to lower the water table below the depth of planned excavation for project excavation and construction activities. This change order will allow for the timely installation of the necessary dewatering wells, piping and other required infrastructure to temporarily draw down the groundwater to allow for safe and efficient construction activities.

Staff is seeking the Board's authorization to the attached change order #3, in the amount of \$762,994.23. This request recognizes the Nevada Revised Statutes (NRS) and Washoe County policy requirements and seeks Board approval of any change to a project budget which results in cost increases exceeding \$25,000.00 or 5%, whichever is greater, of the original approved contract agreement.

Strategic Objective supported by this item: Safe, Secure and Healthy Communities.

PREVIOUS ACTION

On March 9, 2021, The Board approved a construction change order for the South Truckee Meadows Water Reclamation Facility (STMWRF) 2020 Expansion Project which

AGENDA ITEM # _____

re-allocates duties and \$688,353.40 in associated costs agreed to in Guaranteed Maximum Price Agreement #1 to Guaranteed Maximum Price Agreement #2, which will increase the GMP #2 contract amount in excess of 5% for a total contract amount for GMP #2 to \$3,437,676.40, but which will not result in an increase in total Project costs.

On November 10, 2020, The Board authorized MWH Constructors and KG Walters Construction (MWH&KGW), a joint venture, as the Construction-Manager-At-Risk (CMAR), and approved the Owner-CMAR construction agreement, to construct Influent Pump and Screen Replacement Project under a Guaranteed Maximum Price agreement, GMP 2, a separate guaranteed maximum price agreement for the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project in the amount of [\$2,749,323].

On August 31, 2020, The Board approved the Owner-CMAR Agreement for the CMAR to procure and supply Enclosed Screw Pumps and Perforated Plate Escalator Screen under a Guaranteed Maximum Price agreement, GMP 2A, in support of the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project in the amount of \$1,236,283.

On July 14, 2020, the Board approved the Capital Improvements Plan for Fiscal Years 2021-2025.

On May 26, 2020, The Board approved the initial Project Owner-CMAR Construction Agreement between Washoe County and MWH&KGW, for Guaranteed Maximum Price #1 in the amount of [\$10,997,549].

On May 26, 2020, The 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 October 24, 2017, the Board approved an Agreement for Consulting Engineering Services between Washoe County and Carollo Engineers, Inc. to provide engineering services for sanitary sewer flow and water quality analysis in the existing collection system within the South Truckee Meadows Water Reclamation Facility and Spanish Springs service areas.

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.

On February 13, 2007, the Board awarded an agreement for consulting engineering services with CH2M Hill Inc. to provide facility planning and preliminary engineering services for the South Truckee Meadows Water Reclamation facility.

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

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 time the total encumbrances for the project are approximately \$41 million and based on current cost estimates, it is anticipated that the total project cost of the expansion to respond to the needs to treat and manage additional wastewater flows, will be between \$70 million and \$80 million. The actual cost of each future GMP package will be determined through the facility needs 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 future GMP packages 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

Should the Board approve the change order request of \$762,994.23, FY21 has sufficient budget authority in the Utilities Fund (566), STMWRF 2020 Expansion (WR860109), Construction Contracts (781080).

RECOMMENDATION

It is recommended that the Board of County Commissioners to approve Change Order No. 3, [in the amount of \$762,994.23], for Guaranteed Maximum Price work package #2 (GMP#2) which was approved for the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project, [increasing the approved contract amount to \$4,200,670.63]. Change Order No. 3 is for the installation of 14 dewatering wells and infrastructure necessary to lower the groundwater levels in project areas allowing for subgrade excavation and construction activities. This request conforms to Nevada Revised Statutes and Washoe County policy requirements for project cost increases exceeding \$25,000 or 5%, whichever is greater, of the original approved contract amount.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve Change Order No. 3, [in the amount of \$762,994.23], for Guaranteed Maximum Price work package #2 (GMP#2) which was approved for the South Truckee Meadows Water Reclamation Facility 2020 Expansion Project, [increasing the approved contract amount to \$4,200,670.63]. Change Order No. 3 is for the installation of 14 dewatering wells and infrastructure necessary to lower the groundwater levels in project areas allowing for subgrade excavation and construction activities. This request conforms to Nevada Revised Statutes and Washoe County policy requirements for project cost increases exceeding \$25,000 or 5%, whichever is greater, of the original approved contract amount."