



WASHOE COUNTY

Integrity Communication Service

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STAFF REPORT

BOARD MEETING DATE: November 10, 2020

DATE: October 9, 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 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]. (Commission District 2.)

SUMMARY

The Community Services Department (CSD) Utility is requesting authorization to award GMP #2 to our Construction Manager at Risk (CMAR), MWH Constructors and KG Walters Construction, a joint venture, (MWH&KGW), for the next phase of construction services for the South Truckee Meadows Water Reclamation Facility (STMWRF) 2020 Expansion Project (Project).

As final designs have been completed of the proposed work, a detailed scope of work for GMP #2 was established to include construction of the influent pump and screen replacement project. The scope of work as part of GMP#2 includes all labor, materials, equipment, supervision, coordination, and necessary resources to complete the replacement of two existing influent pumps and installation of an additional influent pump and screen. Once construction is complete there will be a total of three (3) enclosed influent pumps and three (3) perforated plate escalator screens which will contribute to our ability to intake higher volumes of influent.

Washoe County and MWH&KGW have negotiated a Guaranteed Maximum Price (GMP) for construction in the amount of \$2,749,323 which includes the fixed price for the construction of the Project in an amount of \$2,084,533, construction overhead and profit in the amount of \$291,834, and bonds and insurance in the amount of \$38,574. A total of \$85,066 is included in the GMP for CMAR contingencies in the event there are unforeseen construction items which are not included in the Project design and specifications. A total of \$249,316 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 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 August 31, 2020, The Board of County Commissioners (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 May 26, 2020, The Board of County Commissioners (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 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 of County Commissioners (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 waste water 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

Sufficient budget authority in FY21 exists for the \$2,749,323 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 MWH Constructors and KG Walters Construction (MWH&KGW), a joint venture, as 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 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].

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to authorize MWH Constructors and KG Walters Construction (MWH&KGW), a joint venture, as 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 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]."