



# WASHOE COUNTY

Integrity Communication Service

[www.washoecounty.gov](http://www.washoecounty.gov)

## STAFF REPORT

BOARD MEETING DATE: November 14, 2023

**DATE:** September 26, 2023

**TO:** Board of County Commissioners

**FROM:** Dwayne Smith, P.E., Division Director, Engineering and Capital Projects,  
Community Services Department, 328-2043, [desmith@washoecounty.gov](mailto:desmith@washoecounty.gov)

**THROUGH:** Dave Solaro, Arch., P.E., Assistant County Manager

**SUBJECT:** Recommendation to authorize the Guaranteed Maximum Price #3 Agreement (GMP #3) for the NV Cares Campus Phase 4 Supportive Housing Project – GMP #3 with Clark/Sullivan Constructors, Inc., doing business as Clark Sullivan Construction, the project Construction-Manager-At-Risk (CMAR), [in the amount not to exceed \$20,332,773.00]. The 50-unit affordable Supportive Housing Project, located at 1800 Threlkel Street, includes supporting infrastructure such as a community room, staff offices, training room, laundry room as well as other necessary infrastructure such as perimeter fencing, landscaping, dog kennel area, shade structure, outdoor recreational area, roadways, parking lots, and underground utilities. Budget for the GMP #3 construction agreement has been previously approved and work under GMP #3 is anticipated to commence on or about November 16, 2023. (All Commission Districts.)

---

### SUMMARY

The Community Services Department is requesting authorization for the Guaranteed Maximum Price Agreement GMP #3 (GMP #3), in support of the next phase of project development of the NV Cares Campus Phase 4 Supportive Housing Project – GMP #3 (Project), located at 1800 Threlkel Steet, in Reno, Nevada. Authorization of the GMP #3 Agreement will direct the Construction Manager at Risk (CMAR), Clark Sullivan Construction, to begin work on the Supportive Housing building under the negotiated project schedule and cost structure. GMP #3 includes General Conditions, Owner and CMAR contingency, as well as CMAR profit and associated construction bonds and insurance.

This phase of the project, referred to as Support Housing, includes a 50-unit affordable housing complex that includes a community room, staff offices, a training room, a laundry room, as well as other necessary infrastructure such as perimeter security fencing, landscaping, a dog kennel area, shade structure(s), an outdoor recreational area, and roadways, parking lots, and underground utilities.

On October 17, 2023, the CMAR received sub-contractor bids for all sub-contractor work packages drawn from a list of pre-approved sub-contractors and vendors. The CMAR provided transparent access to all bids and is awarding the various work packages to the appropriate responsive and responsible bidders. Washoe County participated in scope clarifications and negotiations with the sub-contractors and those work elements with associated costs were incorporated into the CMAR's Guaranteed Maximum Price Agreement. GMP #3 represents the

AGENDA ITEM # \_\_\_\_\_

maximum price the County can expect to pay for the construction of this phase of work that supports the overall NV Cares Campus Project.

Funding for this Agreement is through the accepted Home Means Nevada Initiative Funds awarded by the State of Nevada Department of Business & Industry Housing Division. Staff has verified in the System for Award Management Exclusions that Clark and Sullivan Construction is not excluded from receiving federal government contracts as a result of being debarred.

Washoe County Strategic Objective supported by this item: Fiscal Sustainability: Long-term sustainability.

### **PREVIOUS ACTION**

On August 22, 2023, the Board of County Commission (Board) accepted Home Means Nevada Initiative Funds awarded by the State of Nevada Department of Business & Industry Housing Division for Supportive Housing at the Nevada Cares Campus in the amount of [\$21,900,000.00].

On April 11, 2023, the Board approved a construction agreement with Clark/Sullivan Constructors, Inc., doing business as Clark Sullivan Construction, the project Construction-Manager-At-Risk (CMAR), for GMP 2 the NV Cares Campus Phase 3 Intake Center Project (Intake Center Project) in the amount of [\$28,274,566.00].

On March 28, 2023, the Board of County Commission (Board) motion ended in a two-to-two vote for item 10. (Hill and Garcia in support - Clark and Herman opposed).

On December 20, 2022 the Board approved a Letter of Invitation for the Community Project Funding/Congressional Directed Spending stating that in the Consolidated Appropriations Act, 2022 (P.L. 117-103) the United States Congress has made available a grant to Washoe County for the regional homes shelter (Nevada Cares Campus) in the amount of [\$12,000,000.00; no county match] administered through the U.S. Department of Housing and Urban Development, and authorized the County Manager or his Designee to: 1) designate a county representative for the grant process, 2) direct preparation of a project narrative, 3) direct preparation of a line item budget for the project and 4) complete other required federal forms.

On December 20, 2022, the Board accepted a Nevada Cares Campus Charitable Fund Grant from the Community Foundation of Northern Nevada to support Nevada Cares Campus Capital Improvement Project in the amount of [\$1,669,180.00, no match].

On December 20, 2022, the Board approved allocations of American Rescue Plan Act (ARPA) funds through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and approved an amended allocation for Project #2, Washoe County Cares Campus Capital in a total amount of \$24,618,706, an award increase of \$3,150,000 over the \$21,468,706 approved by the Board on December 14, 2021, to be used for a portion of the funding for Phase III of the Cares campus expansion.

On July 12, 2022, the Board approved the purchase of property located at 1775 East 4th Street, Reno, Nevada from Reno Housing Authority in an amount not to exceed the appraised value of \$5,500,000 to be used to provide shelter and related services for people experiencing homelessness. The terms included a Purchase and Sale Agreement for the acquisition by Washoe County of 4.747-acre property located at 1775 East 4th Street, Reno, Nevada, 89512 (APN 008-211-50) in an amount of \$5,150,000.00 plus closing costs not to exceed \$12,000; a Resolution approving Subgrant by Washoe County in an amount of \$350,000 from American Recovery Plan Act Funds to Reno Housing Authority be used for affordable housing and authorize Manager to

execute documents in support thereof; approval of a Second Amended Lease with Reno Housing Authority for 1775 East 4th Street, Reno, Nevada for a term to expire upon closing of the Purchase and Sale Agreement and in an amount of [\$40,000] per month with payments to be credited towards the purchase of the property and authorized the Manager to execute documents in support thereof and a Contract between Washoe County and Reno Housing Authority for contribution from Reno Housing Authority in an amount up to [\$250,000] to assist with remediation and/or cleanup costs for any contamination discovered on the property.

On May 10, 2022, the Board approved a construction agreement with Clark/Sullivan Constructors, Inc., doing business as Clark Sullivan Construction, the project Construction-Manager-At-Risk (CMAR), for GMP 1 the NV Cares Campus Phase 2 Project in the amount of [\$12,148,912.00].

On May 10, 2022, the Board approved a Professional Consulting Services Agreement between Washoe County and Van Woert Bigotti Architects for the Nevada Cares Campus Improvements Phase 2, 3 and 4 design development to include architecture and interior design, civil engineering, mechanical engineering, electrical engineering, structural engineering and kitchen design, construction documents, conditional use permit support, permitting support, bidding support and construction administration in the amount of \$4,203,439.00.

On October 6, 2021, through a competitive CMAR request for qualifications (RFQ) process, Clark Sullivan Construction was selected for the CMAR Pre-Construction Services contract.

On December 14, 2021, the Board approved allocation of American Rescue Plan Act funds through the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund in a total amount of \$40,201,764.00, and directed the Comptroller's Office to make the necessary net zero cross-fund and cross-functional budget appropriation transfers, and authorize Human Resources, per Job Evaluation Committee (JEC) evaluation as applicable, to create necessary positions for 23 proposed projects identified in the supporting staff report, which included \$21,468,706 for the Washoe County Cares Campus Capital, (\$4,000,000 was previously approved by Board on July 20, 2021).

On July 20, 2021, the Board accepted Coronavirus State and Local Fiscal Recovery Funds allocation from the United States Department of the Treasury in the amount of [\$91,587,038; no county match], authorized the County Manager to sign award documents and direct the Comptroller's Office to make the necessary budget amendments.

On November 18, 2020, at a joint meeting with the City of Reno Council and the City of Sparks Council, the Board voted to acquire and cost share three parcels on East 4th Street for the purpose of expanding shelter capacity in the region to assist people experiencing homelessness.

## **BACKGROUND**

The following table breaks out the various cost items for GMP #3, including both Washoe County's and the CMAR's contingencies and allowances. Owner allowances and contingencies are included in the event additional scope items need to be added to the project or to support changes to specifications. Owner contingency is included in the event there are changed site conditions discovered during work and these funds may be used should actual costs exceed the programed amount. Other items identified are the CMAR general conditions costs, costs incurred to manage and support the work as well as the CMAR profit. Also identified are the Project insurance and bond costs.

| <b>NV Cares Campus Phase 4 Supportive Housing Project – GMP #3</b> |                     |
|--------------------------------------------------------------------|---------------------|
| Cost of the Work (excluding General Conditions)                    | 17,403,977.00       |
| CMAR's General Conditions Cost                                     | 701,875.00          |
| CMAR Fee (Profit and Overhead)                                     | 814,763.00          |
| Builders Risk                                                      | 60,998.00           |
| General Liability                                                  | 142,329.00          |
| P & P Bond NV                                                      | 122,479.00          |
| CMAR's Contingency 3%                                              | 543,176.00          |
| Owner's Contingency 3%                                             | 543,176.00          |
| <b>Total Guaranteed Maximum Price (GMP)</b>                        | <b>\$20,332,773</b> |

### **FISCAL IMPACT**

Funding for this GMP #3 Agreement is through the accepted Home Means Nevada Initiative Funds (IN12252) awarded by the State of Nevada Department of Business & Industry Housing Division. Sufficient budget authority for this Construction Agreement exists in the FY24 budget in the Capital Improvement Fund (402), Nevada Cares Campus-Supportive Housing (PW920728).

### **RECOMMENDATION**

It is recommended that the Board authorize the Guaranteed Maximum Price #3 Agreement (GMP #3) for the NV Cares Campus Phase 4 Supportive Housing Project – GMP #3 with Clark/Sullivan Constructors, Inc., doing business as Clark Sullivan Construction, the project Construction-Manager-At-Risk (CMAR), [in the amount not to exceed \$20,332,773.00]. The 50-unit affordable Supportive Housing Project, located at 1800 Threlkel Street, includes supporting infrastructure such as a community room, staff offices, training room, laundry room as well as other necessary infrastructure such as perimeter fencing, landscaping, dog kennel area, shade structure, outdoor recreational area, roadways, parking lots, and underground utilities. Budget for the GMP #3 construction agreement has been previously approved and work under GMP #3 is anticipated to commence on or about November 16, 2023.

### **POSSIBLE MOTION**

Should the Board agree with Staff's recommendation, a possible motion would be: "Move to authorize the Guaranteed Maximum Price #3 Agreement (GMP #3) for the NV Cares Campus Phase 4 Supportive Housing Project – GMP #3 with Clark/Sullivan Constructors, Inc., doing business as Clark Sullivan Construction, the project Construction-Manager-At-Risk (CMAR), [in the amount not to exceed \$20,332,773.00]. The 50-unit affordable Supportive Housing Project, located at 1800 Threlkel Street, includes supporting infrastructure such as a community room, staff offices, training room, laundry room as well as other necessary infrastructure such as perimeter fencing, landscaping, dog kennel area, shade structure, outdoor recreational area, roadways, parking lots, and underground utilities. Budget for the GMP #3 construction agreement has been previously approved and work under GMP #3 is anticipated to commence on or about November 16, 2023."