

## STAFF REPORT

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**Date:** November 15, 2017

**To:** Mayor and City Council

**Thru:** Sabra Newby, City Manager

**Subject:** **B.4. Staff Report (For Possible Action): Award of Contract for the Truckee Meadows Water Reclamation Facility (TMWRF) Return Activated Sludge (RAS) Pumping Improvements – System 1 Project to K.G. Walters Construction Co., Inc. in an amount not to exceed \$2,526,000 with the City of Reno's share being \$1,733,593.80. (Sewer Fund)**

**From:** Dave Kershaw, Associate Civil Engineer

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**Summary:** This construction project consists of rehabilitating the System 1 Return Activated Sludge (RAS) pumps and piping, installation of flow meters and control infrastructure for proper distribution of activated sludge to the aeration basins. Staff recommends Council award of contract to K.G. Walters Construction Co., Inc. for the Truckee Meadows Water Reclamation Facility (TMWRF) RAS Pumping Improvements – System 1 Project in an amount not to exceed \$2,526,000 with the City of Reno's share being \$1,733,593.80 (Sewer Fund).

**Previous Council Actions:**

March 9, 2016 - Council approved consulting services agreement between HDR and the City of Reno for consulting engineering services for the Truckee Meadows Water Reclamation Facility (TMWRF) RAS-WAS System 1 Pumping Improvement Project design in the amount of \$499,412.00, with Reno's share being \$342,746.46 (Sewer Fund).

October 22, 2014 - Council approved an agreement for consultant services with HDR Engineering, Inc. (HDR) for professional engineering services in an amount not to exceed \$138,689, with Reno's share being \$95,182.26 (Sewer Fund).

**Background:** One of the key treatment processes at the TMWRF consists of providing the correct balance of raw sewage (nutrients), air and microorganisms in a mixed-liquor aeration basin to properly treat the raw sewage. This process consists of providing the appropriate habitat to allow microorganisms to consume the biodegradable organics in the raw sewage and then provide a means for settling out the microorganisms, and returning a portion of the microorganisms to the front of the process and dispose of the remaining. During the process the microorganisms quickly grow in mass and need to be removed from the process on a consistent

basis to maintain a balance between the food source (sewage inflow), air and microorganism mass. Operation of this process requires the ability to monitor and control the flows of sewage, activated sludge (microorganisms) and air into three different parallel treatment trains. Therefore, TMWRF must monitor and control the flow of sewage, activated sludge (microorganisms) and air into each of the treatment trains.

**Discussion:** Based on the completed activated sludge system evaluation, and in concurrence with TMWRF staff review and input, key improvements in the system were identified as being needed to maintain system reliability and redundancy. The rehabilitation was divided into phases with System 1 having the highest priority. The improvements for pumping, piping, and control improvements in TMWRF’s System 1 RAS and Waste Activated Sludge (WAS) management facility were designed and issued for bidding.

Bids were opened on September 27, 2017. The lowest responsive and responsible bidder is K.G. Walters Construction Co., Inc. The current CIP budget approved by the TMWRF Joint Coordinating Committee for the construction of this project will support the award of the bid in the amount of \$2,526,000.

Table 1 presents a summary of the bids received:

**Table 1 – Bid Summary**

Item	K.G. Walters Construction Co., Inc.	Farr Construction Corp dba Resource Development Company	Walker River Construction, Inc.
Bid	\$2,526,000	\$2,616,000	\$3,269,184

The consideration of approval for an agreement with HDR Engineering, Inc. for construction management services for this project will also be considered by Council on November 15, 2017, as a separate, but related item.

**Financial Implications:** The City of Reno will administer the contract and will be reimbursed for a portion of the costs by the City of Sparks through the current cost sharing agreement for TMWRF operation and maintenance. The City of Reno and the City of Sparks share the cost of this project as follows: 68.63 percent for Reno and 31.37 percent for Sparks, as shown in Table 1. Costs for the City of Reno are budgeted in the Sewer Fund. This project is included in the TMWRF Capital Improvement Plan that was approved by the Joint Coordinating Committee.

Table 1 - Cost Sharing Between Reno and Sparks

<b>Total Cost of Contract</b>	<b>Reno Share</b>	<b>Sparks Share</b>
\$2,526,000	\$1,733,593.80	\$792,406.20
Percentages	68.63%	31.37%

**Legal Implications:** The Contract was competitively bid in accordance with Chapter 338 of the NRS. NRS 338.147 provides that a local government shall award a contract for a public work for which the estimated cost exceeds \$250,000 to the contractor who submits the best bid pursuant to the requirements established in Chapter 338.147.

**Recommendation:** Staff recommends Council award the Contract for the Truckee Meadows Water Reclamation Facility (TMWRF) RAS Pumping Improvements - System 1 Project to K.G. Walters Construction Co., Inc. in an amount not to exceed \$2,526,000 with the City of Reno's share being \$1,733,593.80 (Sewer Fund), and authorize the Mayor to sign.

**Proposed Motion:** I move to approve staff recommendation.