



CITY OF FERNLEY

CITY COUNCIL

AGENDA REPORT

Meeting Date: August 18, 2021

REPORT TO:	Mayor and City Council
REPORT THRU:	Derek Starkey, City Engineer
REPORT FROM:	Salvador Pleitez, P.E Senior Project Manager
REVIEWED BY:	Brandi Jensen, City Attorney
REVIEWED BY:	Denise Lewis, City Treasurer

FINANCIAL IMPACT: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	CURRENTLY BUDGETED: Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/>	FUND/ACCOUNT: 510-166100
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ACTION REQUESTED: <input type="checkbox"/> Consent <input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Receive/File

AGENDA ITEM: Staff Report (For Possible Action): Discussion and Possible Action to approve a contract with Farr Construction (dba Resource Development Corporation) in an amount not to exceed \$4,835,798 with a 2% contingency of \$96,716 for Construction services for the Truckee Canal Surface Conveyance Project.
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Business Impact (per NRS Chapter 237): <input type="checkbox"/> A Business Impact Statement is Attached. <input checked="" type="checkbox"/> A Business Impact Statement is not required because this is not a rule (term excludes vehicles by which legislative powers are exercised under NRS Chapters 271, 278, 278A, or 278B).

Agenda Item Brief: Staff is seeking approval from City Council for a contract for Construction Services with Farr Construction (RDC) to construct the Truckee Canal Outtake and Water Conveyance Project. The project will construct an outtake structure on the Truckee Canal along with piping and a pump station to convey surface water from the Canal to the City's water treatment plant for treatment.

RECOMMENDED MOTION: “I move to ratify the contract with Farr Construction Corporation (dba RDC) in the amount not to exceed \$4,835,798.00. plus 2% contingency of \$96,716 for the total amount of \$4,932,514.00.

ALTERNATIVES:

City Council could choose to not approve of the contract award. Staff would go through the advertisement and bidding process over again but it is not anticipated that the prices for construction would decrease.

PROJECT SUMMARY:

This project was publicly advertised in the Reno Gazette Journal and the Mason Valley News and bids were received and opened on July 16th (See Bid Tabulation- Attachment A). AECOM has recommended the contract be awarded to Farr Construction Corp. as they are the low bidder and a fully qualified contractor.

The project consists of constructing a canal outtake structure, shoring, two metering vaults, raw and potable water lines, roadway paving, connection to the existing potable Water Treatment Plant Facility, flow control vault and pump station including pumps, piping and valving, electrical and instrumentation.

BACKGROUND:

The City of Fernley Water Treatment Plant utilizes multiple underground wells to supply groundwater that is treated and served to its municipal water customers. The City has been pursuing the use of its surface water rights through the Canal in order diversify its water resources to meet growing demand.

After a long permitting process with the United States Bureau of Reclamation, the Nevada Department of Environmental Protection Bureau of Safe Drinking Water, and the Truckee Carson Irrigation District, the final permits and approvals were received by June of 2021. Once the approvals were received, the plans and specifications were finalized, and the project was advertised for bid.

The lowest and most responsible bidder was found to be Farr Construction (dba Resource Development Corporation).

ANALYSIS:

The bids are about 21 percent above staff and consultant estimates. This higher price is a result of the recent pandemic causing material shortages and contractors being busy with many projects and limited staff. Staff cannot see any changes in the current trend anytime soon. It is assumed that the current trend may continue until the end of the year at minimum and therefore staff recommends the City Council approve the contract for construction

FINDINGS:

The construction of the proposed canal outtake and proposed appurtenances this year will place the city in a good position to begin utilizing the available surface water option and begin the process of making adjustments at the water treatment plant and begin the pilot program to start treating surface and serving surface water.

LEGAL IMPLICATIONS:

None identified at this time.

FINANCIAL IMPLICATIONS:

The funding for this project was approved for the Fiscal Year 2020/2021. The total amount approved was \$5,000,000.00. the contracts to complete construction are as follows:

Approved Budget: \$5,000,000.00

AECOM: \$349,519.00

Farr Construction: \$4,932,514.00

Total: 5,282,033.00

The additional funding for the project would be taken from the water enterprise fund.

ATTACHMENTS:

- 1) Letter of Recommendation and Bid Tabulation- Attachment A
- 2) City of Fernley Standard Contract - Attachment B