



City Hall Tower, Suite 1411
One East First Street
Reno, NV 89501

775.870.4923 tel
916.414.5850 fax
www.aecom.com

July 22, 2021

Salvador Pleitez, PE, MBA
Senior Project Manager
City of Fernley Engineering Department
595 Silver Lace Blvd.
Fernley, NV 89408

**Subject: Truckee Canal Diversion and Conveyance PWP-LY-2021-317
Recommendation of Award to Farr Construction Corporation dba Resource
Development Company**

Dear Mr. Pleitez:

Bids for the referenced project were opened and read aloud at the City Hall at 10:00 a.m. on Friday, July 16, 2021. The bids were time and date stamped upon receipt and opened in the order they were received. Total bid amounts from each contractor were recorded as presented in the attached bid summary spreadsheet.

There were three (3) bidders for the Truckee Canal Diversion and Conveyance Project. Q&D Construction did not submit their 2-hour subcontractor notification listing pursuant to NRS 338.141(1)(b) and as a result it was omitted. The bid packages from each of the Contractors are located at the Fernley Public Works office for your review but will be returned to the respective bidders upon award of the project, pending the City Council's decision.

The apparent low bidder was Farr Construction Corporation dba Resource Development Company, with a bid of \$4,835,798.00. The original estimated construction budget was \$4,000,000.

The difference in bids to construction budget is due to current market conditions and the requirements of Bureau of Reclamation to install a meter vault and shoring at the canal outtake structure.

Material costs account for a substantial increase in today's construction market and compared to a year ago, contractors are seeing material cost increases by over 100% in some instances (Lumber and plywood = 100.9%). Attached is the Percentage Change in Producer Price Indexes and Employment Cost Indexes for Construction, 2016-2021.

In pursuing due diligence, AECOM referred to NRS 338.1377 for the appropriate criteria for qualification of bidders. Under the General Information Required of Bidders, Farr Construction Corporation dba Resource Development Company listed 32 jobs with multiple descriptions (See Attached Statement of Experience). AECOM has requested from Farr Construction Corporation dba Resource Development Company clarification on three jobs that they have listed with the descriptions of "Battle Mountain WWTP, Pyramid Pump Station, and Siller Ranch Phase 1 Water System Improvements." AECOM is requesting that Farr Construction Corporation dba Resource Development Company respond with a written response listing the three jobs listed with detailed information in regard to the projects. AECOM will acquire the written responses prior to the August

18, 2021 council meeting. In addition, AECOM will solicit information from the engineers listed in the Job History Sheet; inquiring if Farr Construction Corporation dba Resource Development Company *has the expertise, equipment, and personnel to complete the job.*

AECOM spoke to the State Labor Commission and Farr Construction Corporation dba Resource Development Company is in good standing and have no prior issues with this department. AECOM checked with the State Contractor's Board and found that Farr Construction Corporation dba Resource Development Company and their sub-contractors' (Northern Nevada Concrete, Inc., Nelson Electric Co., Inc., West Coast Paving, Inc., Harris Rebar Northern California, Inc., Blue Iron Foundations and Shoring, LLC) licenses are active and in good standing. AECOM researched the Public Disciplinary Action or Complaint listing for five years back on the State Contractor's Board website and found no history of Farr Construction Corporation dba Resource Development Company, Northern Nevada Concrete, Inc., Nelson Electric Co., Inc., West Coast Paving, Inc., Harris Rebar Northern California, Inc., Blue Iron Foundations and Shoring, LLC at all.

Reviewing all of the information available at this time, **AECOM** would recommend to Council to award the Contract to **Farr Construction Corporation dba Resource Development Company**, for the bid amount of \$4,835,798.00. The Notice-of-Award to **Farr Construction Corporation dba Resource Development Company**, for the Contract is included with the attached bid summary.

If you have any further questions or comments, please do not hesitate to contact me at 775-722-5095 (tom.guinn@aecom.com).

Sincerely,



Thomas Guinn, P.E.
Associate Vice President

Enclosure

cc: File