

Douglas County Board of County Commissioners

AGENDA ACTION SHEET

Title: For possible action. Discussion to approve and award a contract to Farr Construction Corporation d.b.a Resource Development Company or to KG Walters Construction Company, Inc., for the construction of the North Valley Wastewater Treatment Plant Improvements project. (Nicholas Charles)

Recommended Motion: Approve and award a contract for the North Valley Wastewater Treatment Plant Improvements project to the lowest responsive and responsible bidder, to:

(a) Farr Construction Corporation, d.b.a Resource Development Company, in the amount of \$9,084,085, and authorize the Public Works Director to sign change orders up to 5% of the contract amount.

OR

(b) KG Walters Construction Company, Inc., in the amount of \$9,160,000, and authorize the Public Works Director to sign change orders up to 5% of the contract amount.

Financial Impact: The North Valley WWTP project has identified funding through a State Revolving Fund (SRF) loan, Redevelopment Agency (RDA) funds, and a Community Development Block Grant (CDBG) totaling \$10,392,939. The proposed construction contract exceeds available funding, creating a project budget deficit of \$1,204,588 to \$1,284,503 (depending upon the general contractor the project is awarded to). It is proposed that this deficit be covered through capital reserves. The available balance in capital reserves is \$2,399,633 with total reserves in the Sewer Fund of \$3,118,954.

Prepared by: Nicholas Charles, Civil Engineer

Meeting Date: January 18, 2018 **Time Required:** 10 minutes

Agenda: Administrative

Background Information: In September 2015, the Board of County Commissioners adopted the North Valley Wastewater Treatment Plant (NVWWTP) Capacity Study and Facility Plan and directed staff to begin the process of upgrading the NVWWTP (Project). The facility plan confirmed the wastewater treatment limitations at the existing NVWWTP, identified system deficiencies, and evaluated both short and long-term improvement alternatives to meet current and future wastewater demands. A preferred alternative was developed based on both financial and non-financial considerations. The

preferred alternative includes the construction of a new Sequencing Batch Reactor (SBR) for liquid stream treatment and aerobic digesters and geotextile dewatering for solid stream treatment. To implement the recommended improvements, Douglas County entered into contracts with CH2M Hill (Redding, CA) and Keller Associates (Roseville, CA) to complete the design of the proposed improvements. In March 2017, Douglas County entered into a contract to purchase the pre-selected SBR equipment required for the project. The required permitting of the project occurred between July and September 2017.

Douglas County solicited bids for the construction of the Project and opened bids in November 2017. Public Works issued a recommendation to award the contract to Farr Construction Corporation d.b.a. Resource Development Company (RDC) and KG Walters, the second lowest bidder, submitted a bid protest. In accordance with the procedure set forth in the bidding documents and NRS 338.142, KG Walters appealed Public Works' initial decision on the protest to the Board of County Commissioners. The bid protest will be heard as a separate item.

If the Board of County Commissioners upholds the Bid, finding that KG Walters Construction presented substantial evidence to the Board of County Commissioners that RDC was an unqualified bidder, KG Walters should be deemed the lowest responsive and responsible bidder.

Alternatively, if the Board of County Commissioners rejects the Bid Protest, finding that KG Walters Construction did *not* present substantial evidence to the Board of County Commissioners that RDC was an unqualified bidder, RDC should be deemed the lowest responsive and responsible.

If the Board of County Commissioners awards the Construction Contract, it must award the Contract to the lowest responsive and responsible bidder.

Detailed information regarding the construction contract and other necessary contracts can be found in the attached memorandum.

Agenda Item # 2