

**MEMORANDUM**

**TO:** Board of Trustees

**THROUGH:** Bobby Magee, District General Manager

**FROM:** Kate Nelson, Interim Director of Public Works  
Hudson Klein, Principal Engineer

**SUBJECT:** Review, Discuss and Approve:  
1. The CMAR Construction Agreement, Contractor: Granite Construction, in the Amount of \$6,636,173.51; and,  
2. the Construction Administration Services Agreement, Consultant: Jacobs Engineering, for an Amount Not to Exceed \$200,157.00 for the WRRF Storage Tank Project - 2023/24 Capital Improvement Project; Fund: Sewer; Division: Utilities; Project #2599SS2010. (Requesting Staff Member: Interim Director of Public Works Kate Nelson).

**RELATED FY 2023 STRATEGIC PLAN BUDGET INITIATIVE(S):**

**LONG RANGE PRINCIPLE #5 – ASSETS AND INFRASTRUCTURE**

The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation venues, facilities, and services.

**RELATED DISTRICT POLICIES, PRACTICES, RESOLUTIONS OR ORDINANCES**

Board Policy 12.1.0 Multi-year Capital Planning; 13.2.0 Capital Planning Capital Expenditures;

**DATE:** March 28, 2024

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**I. RECOMMENDATION**

It is recommended that the Board of Trustees:

1. Approve the CMAR Construction Agreement with Granite Construction for the Effluent Storage Tank Project with a Guaranteed Maximum Price in the amount of \$6,636,173.51 (Inclusive of \$407,270.00 Owner Controlled Risk Reserve); 2023/24 Capital Improvement Project; Fund: Utilities; Division: Sewer; Project #2599SS2010; and,

2. Approve the Construction Administration Services Agreement with Jacobs Engineering for the Effluent Storage Tank Project for an Amount Not to Exceed \$200,157.00; 2023/24 Capital Improvement Project; Fund: Utilities; Division: Sewer; Project #2599SS2010; and,

3. Authorize the Chair and Secretary to Execute the CMAR Contract with Granite Construction and the Construction Administration Services Agreement with Jacobs Engineering.

## **II. BACKGROUND**

At the Board of Trustees meeting on January 28, 2021 (Item K.1), Granite Construction was selected as the Construction Manager at Risk (CMAR) for both the effluent export pipeline replacement project and the emergency storage pond lining project. On February 28, 2024 Staff presented a recommendation (Item G.3) for the CMAR Agreement for Granite Construction to complete construction of the two million gallon prestressed concrete storage tank at the Wastewater Resource Recovery Facility (WRRF). At this meeting, Staff presented the progression of project cost increases observed from a 30% schematic design to final guaranteed maximum price (GMP). The majority of cost increase was primarily the result of an inaccurate estimate for the tank design and construction caused by a misinterpretation by the tank manufacturer of the seismic and snow loading structural requirements; this was an overall increase of approximately \$800,000. A budget augmentation was Board approved on February 28, 2024 (Item G.3) to appropriate the additional funds required for the construction phase.

The recommended CMAR Agreement (ATTACHMENT A) follows the general form previously approved and executed for the Effluent Export Pipeline projects GMP1 and GMP2. However, for the Effluent Storage Tank Project the unused risk register funds will be 100% returned to the District; the CMAR will receive no share of unused risk and the CMAR fee has been reduced to 10%.

Jacobs Engineering has served as the design engineer since the beginning of the effluent storage project. As described at the February 28, 2024 Board meeting (Item G.3) the project scope changed from an open-water storage pond to the current concrete storage tank as a result of regulatory restrictions and operational requirements of the WRRF. The current agreement with Jacobs includes final design and bid support services and is active until March 31, 2024.

The recommended Amendment 10 (ATTACHMENT B) to the Jacobs contract continues service through the construction phase. The scope is to provide various engineering administrative and construction observation services including submittal reviews, request for information responses (design clarifications), final as-built plan preparation, and construction observations, as required. The contract has allowances for a level of support described in the amendment scope attachment and the District will be invoiced for services provided as construction progresses not to exceed the contract value of \$200,175; any difference between the contract agreement total value and actual billed hours will be returned to the District.

### III. BID RESULTS

Granite completed subcontractor bid solicitation as part of the required CMAR process in January 2024. The bid results were opened in front of Staff on January 31, 2024; the recommended selections were presented the same day and Staff agreed with the CMAR recommendations for subcontractor selection.

The selected subcontractor bid results are incorporated in the total project costs table presented in Section IV - FINANCIAL IMPACT AND BUDGET.

The Construction Administration Services agreement was not solicited publicly for bid. There is no requirement for professional services to be solicited for competitive bid per NRS 332.115.1(b). As the Engineer of Record (EOR), Jacobs is the most suitable consultant to provide Construction Administration Services.

### IV. FINANCIAL IMPACT AND BUDGET

Under the current CMAR delivery method, the total construction phase budget is estimated at \$7.2M; This includes the GMP cost, contract contingency, Staff time for construction and closeout periods, special inspection and materials testing (Construction Administration Services), as well as design and Staff time to date. A summary of forecasted costs is as follows:

<b>Description</b>	<b>Cost Estimate</b>
Direct Construction Costs	\$ 5,663,000
CMAR Fee	\$ 566,300
Risk Reserve	\$ 410,000
IVGID Operations Staff	\$ 38,000
IVGID Proj. Mgmt.	\$ 90,000
Engineering Construction Administration Services	\$ 200,000
Contract Contingency	\$ 190,000
Temporary SCADA	\$ 26,500
<b>Subtotal</b>	<b>\$ 7,183,800</b>
Spent to date	\$ 880,000
<b>TOTAL</b>	<b>\$8,063,800</b>

The US Army Corps of Engineers (USACE) Section 595 Program Project Partnering Agreement was signed in 2023 including reimbursement of up to 75% of the project costs calculated as \$7.6M at the time of signing. This provides up to \$5.7M of reimbursement. Since the start of the project in July 2021, approximately \$880,000 has been spent in consultant fees, CMAR preconstruction, permitting, USACE funding administration, and staff management and operations time. Roughly \$745,000 of this is eligible under Section 595 Funds with \$559,000 currently submitted and in the process of reimbursement.

IVGID currently has approximately \$6.4M in the project budget inclusive of FY24 spend to date and the carry-forward approved in October 2023; this does not include the \$559,000 USACE reimbursement referenced above. The Board of Trustees authorized a budget augmentation of \$800,000 to account for the difference between the \$6.4M available and the \$7.2M forecast in order to award the construction contract and secure appropriate budget for remaining project costs.

**V. ALTERNATIVES**

No alternatives are offered at this time.

**VI. BUSINESS IMPACT/BENEFIT**

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

**VII. ATTACHMENTS**

- 1. ATTACHMENT A - CMAR Agreement Effluent Storage Tank  
2599SS2010\_20240320
- 2. ATTACHMENT B - Jacobs Amendment 10 to Effluent Storage Tank - CA  
Services

**AMENDMENT NO. 10  
TO SHORT FORM AGREEMENT DATED JUNE 9, 2021  
BETWEEN  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
AND  
JACOBS ENGINEERING GROUP, INC.**

This Amendment No. 10 to the Short Form Agreement dated June 9, 2021 (“Amendment”) is made and entered into as of March 28, 2024 by and between the Incline Village General Improvement District (“District”) and Jacobs Engineering Group, Inc. (“Consultant”). District and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

**Recitals**

- A. **Original Agreement.** The Parties have entered into an agreement for Effluent Pond Lining Final Design dated June 9, 2021 and as amended by previous instruments dated July 14, 2021, September 3, 2021, February 2, 2022, March 10, 2022, June 30, 2022 (Amendments 5 and 6 both dated June 30, 2022; one for change in scope and one for extension of time), June 14, 2023, December 13, 2023, and February 13, 2024 (“Original Agreement”), which is incorporated herein by reference as if fully set forth herein, for the purpose of District retaining Consultant to provide the Services set forth therein.
- B. **Amendment Purpose.** District and Consultant wish to extend Consultant’s current contracted design and engineering services to also provide construction administration services for the duration of Phase 3, Construction, of the Wastewater Resource Recovery Facility (WRRF) Effluent Storage Tank project.
- C. **Amendment Authority.** This Amendment is authorized pursuant to Section 5 of the Original Agreement.

**Amendment**

Now therefore, the Parties hereby modify the Original Agreement as follows:

1. **Definitions.** All capitalized terms used in this Amendment not defined in this Amendment shall have the same meaning as set forth in the Original Agreement if defined in the Original Agreement.
2. **Construction Administration (CA) Services:** Consultant’s professional engineering services will include review of the Construction Manager at Risk’s (CMAR) Requests for Information, submittal reviews, construction site visits for grading, geotechnical and structural observation and completion of record drawings. The CA services are more fully described in Exhibit A, Consultant’s Scope of Work, which is attached hereto and incorporated herein by this reference.
3. **Term.** Construction of the Effluent Storage Tank by IVGID’s CMAR, Granite Construction, is anticipated to start March 28, 2024, with final completion scheduled for November 30, 2024. This Agreement will run concurrent with that work and should updates be required due to changes in the project agreement with Granite Construction, additional Amendments will be

requested pursuant to Section 5 of the Original Agreement.

- 4. Compensation. This work will be billed on a Time and Materials basis, with a not to exceed amount of **Two Hundred Thousand One Hundred Fifty-Seven Dollars (\$200,157.00)**. The basis for this compensation is more fully described in Exhibit B, Compensation Schedule, attached hereto and incorporated herein by this reference.
- 5. Continuing Effect of Agreement. All provisions of the Original Agreement otherwise remain in full force and effect and are reaffirmed. From and after the date of this Amendment, whenever the term "Agreement" appears in the Original Agreement, it shall mean the Original Agreement as amended by this Amendment.
- 6. Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.
- 7. Severability. If any portion of this Amendment is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

**OWNER:**  
**INCLINE VILLAGE G. I. D.**  
Agreed to:

\_\_\_\_\_  
 Trustee Sara Schmitz, Chairperson

\_\_\_\_\_  
 Date

\_\_\_\_\_  
 Trustee Michaela Tonking, Secretary

\_\_\_\_\_  
 Date

**Reviewed as to Form:**

\_\_\_\_\_  
 Sergio Rudin  
 District Legal Counsel

\_\_\_\_\_  
 Date

**CONTRACTOR:**  
**JACOBS ENGINEERING GROUP, INC.**  
Agreed to:

By:   
 \_\_\_\_\_  
*Signature of Authorized Agent*

John Schoonover, Manager of Projects

\_\_\_\_\_  
*Print or Type Name and Title*

March 18, 2024

\_\_\_\_\_  
 Date

If CONTRACTOR is a Corporation, attach evidence of authority to sign.

**EXHIBIT A**

## CONSULTANT'S SCOPE OF WORK

### **Phase 3 – Pond 1 Prestressed Concrete Effluent Storage Tank Services During Construction**

This scope is in support of Services During Construction for Pond 1 Prestressed Concrete Effluent Storage Tank project, issued for construction in July 2023. The construction will be completed under a CMAR Agreement between IVGID and Granite Construction and IVGID will provide Construction Management services with limited support from Jacobs. As Construction Manager, IVGID will be responsible for contracting with an independent testing firm for materials testing and Special Inspection per the project specifications and building code. Jacobs will complete RFIs, submittal reviews, construction site visits for grading, geotechnical, and structural observation and completion of record drawings.

#### **Task 1: Services During Construction**

##### **Task 1.1 Shop Drawing, Samples and Submittal Reviews**

Jacobs will review Contractor's proposed construction submittal schedule, which should identify all shop drawings, samples, and submittals required by the Contract Documents, along with anticipated dates for submission. Coordination services for construction shop drawings, samples, and submittals, include preparation of a track system, shall be performed by the Contractor and/or IVGID. Jacobs will establish a separate internal system and set of procedures for managing, tracking status, and storing submittals transmitted by Contractor or IVGID.

Jacobs will review a limited number of submittals transmitted by the Contractor as part of the Contract Document requirements. Jacob's review will be for conformance with the design concept and compliance with the requirements of the Contract Documents. Such review shall not relieve the Contractor from its responsibility for performance in accordance with the Contract Documents, nor is such review a guarantee that the Contractor performed work covered by the shop drawings, samples, or submittals is free of errors, inconsistencies, or omissions.

The fee established for this sub-task assume the processing of approximately 100 technical submittals (including re-submittals) by Jacobs, each requiring an average of about 5 hours of review and processing time. IVGID will review the remaining project submittals.

##### **Task 1.2 Requests for Information**

Jacobs will review Contractor's request for information (RFIs) or clarification of technical requirements of the Contract Documents. Jacobs will log and track RFIs received from the Contractor.

The fee established assumes the processing of approximately 15 RFIs, each requiring an average of about 4 hours of review and processing time.

### **Task 1.3 Change Requests**

Jacobs will review and evaluate Contractor-requested changes to the contract documents. Jacobs will make recommendations to IVGID regarding the acceptability of the Contractor's request and, upon approval of IVGID, Jacobs will assist with preparing information to negotiate the requested change as well as prepare the final change order documents for issuance by IVGID.

The fee established assumed evaluating and processing six (6) requests with 10 hours per request.

### **Task 1.4 Construction Site Observation**

During the course of construction, Jacobs' Design Engineers will make up to (10) onsite visits. Each onsite visit will include one day of construction observation during regular working hours. Observation of the Contractor's work is intended to review the general conformance of the work with the design intent and the requirements of the Contract Documents.

These periodic onsite observations will supplement on-site inspection performed by IVGID's Construction Manager. Periodic on-site observation will include the specified visual inspection for the reinforcement system and site preparation, however material sampling and testing will be performed by a testing agency contracted with IVGID.

Construction Manager will coordinate with IVGID and Project Lead Engineer to determine appropriate timing and schedule for onsite field visits based on Contractor's approved construction schedule.

### **Task 1.5 Record Drawings**

At completion of construction, Jacobs will utilize completed change requests and field notes from Contractor and IVGID to prepare an as-built or Record Drawing set for the project. Record Drawings will be circulated for review and then provided in final pdf format at project closeout.

## **Task 2: Project Management**

Project and Design Management will include internal kickoff meeting, recurring internal and external design meetings, and partnering meetings, progress reporting and invoicing to the Client, overall team coordination and management and change management.



**EXHIBIT B**  
**COMPENSATION SCHEDULE**

<b>Task</b>	<b>Budget</b>
Task 1: Services During Construction	\$181,117
Task 2: Project Management	\$15,190
Expenses	\$3,850
<b>Phase 3 Design Total</b>	<b>\$200,157</b>

**Cost Reimbursable Per Diem (Time and Expense)**

For services defined in this Task Order, at the Per Diem Rates referenced below, plus Direct Expenses, plus a service charge of 10 percent of Direct Expenses and 10 percent of subcontracts and outside services, plus applicable sales, use, value added, business transfer, gross receipts, or other similar taxes.

**Per Diem Rates**

Per Diem Rates are those hourly rates charged for work performed on the Project by Engineer's employees of the indicated classifications. These rates are subject to revision for other projects and annual calendar year adjustments; include all allowances for salary, overheads, and fees; but do not include allowances for Direct Expenses, subcontracts, and outside services.

**Direct Expenses**

Direct Expenses are those necessary costs and charges incurred for the Project including, but not limited to: (1) Engineer's current standard rate charges for reproduction services; and (2) Engineer's standard project charges for special health and safety requirements of OSHA.

**Travel Expenses**

Travel costs shall consist of the negotiated number of trips at the current established Federal travel rates and will include travel costs, per diem to and from the project site, and applicable per diem while working on the project. [2024 Federal Rates](#)