

MEMORANDUM

TO: Board of Trustees

THROUGH: Brad Underwood, Director of Public Works

FROM: Kate Nelson, Engineering Manager

SUBJECT: Approval of a Contract Amendment with Shaw Engineering **and** Reduce Spending Authority Within the Watermain Replacement Crystal Peak Road Project (CIP #2299WS1705) (Requesting Staff Member: Director of Public Works Brad Underwood)

RELATED STRATEGIC PLAN INITIATIVE(S): **LONG RANGE PRINCIPLE #3 - FINANCE**
The District will ensure fiscal responsibility and sustainability of service capacities through prudent fiscal management and maintaining effective financial policies for internal controls, operating budgets, fund balances, capital improvement and debt management.

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; 21.1.0 Purchasing Policy for Public Works Contracts.

DATE: April 12, 2023

I. RECOMMENDATION

That the Board of Trustees Make a Motion to:

- Approve a Contract Amendment with Shaw Engineering in the Amount of \$1,949.00, Resulting in a new Contract Amount of \$60,249.00 **and**;
- Amend the CIP Budget to Reduce Spending Authority Within the Project

Account in the Amount of \$196,382.00.

II. BACKGROUND

Per Board direction, the spending authority for the Watermain Replacement Crystal Peak Road Project (CIP #2299WS1705) budget is to be reduced by \$196,382.00. At the March 8, 2023 Board of Trustees meeting, the FY22 Tahoe Water Fire Suppression Partnership Grant funds in the amount of \$204,528.00 was appropriated as a funding source to support the project.

PW Staff is also requesting the Board approve an amendment to Shaw Engineering's design contract to cover the cost paid by Shaw Engineering for the Washoe County Community Service Department application fee for the Project (Attachment 1). The cost of permit fees was not included in the scope of work, and to keep the project moving forward expeditiously, Shaw Engineering paid the permit fee on behalf of the District.

PW Staff is also requesting that \$25,000 remain in the CIP project budget to be available for unexpected project costs, which is separate from unexpected construction conditions that are to be covered under the budget approved for construction contingency. For example, this type of unexpected project cost could be incurred if the project dictates that more materials testing is required than initially budgeted in CME's current proposal, as can often occur during construction. For example, the Burnt Cedar Pool project required an additional \$8,000 in testing to be completed. PW Staff was able to approve those amendment requests internally because the spending authority was not reduced for that project. Under current Board Policy, PW Staff would need to return to the Board for a contract amendment of any amount. This opens up the District to additional risk by potentially holding up construction, resulting in delays to the Contractor while a contract amendment is being processed through the Board. An example of this could be if CME's required testing efforts exceeded the contract amount with additional materials testing still required, work would need to stop until the contract was amended. PW staff will work in the best interest of the District to minimize financial and other risks, which may result in a contract amendment being approved after the fact. The current Board Policy has eliminated such efficiencies that could previously be completed by staff, which introduces the potential for additional financial risk during construction projects.

III. BID RESULTS

Not Applicable

IV. FINANCIAL IMPACT AND BUDGET

The Crystal Peak Watermain Replacement CIP2299WS1705 project budget is presented below:

PROJECT FUNDING SOURCES

Local Sources	
Carryover	\$68,642.00
FY 22/23	\$1,500,000.00
Total	\$1,568,642.00
Grant Award	
Tahoe Fire Suppression Grant	\$204,528.00

PROJECT BUDGET

Description	Approved Contracts	Proposed Amendments	Total
IVGID Engineering FY22/23			\$36,500.00
Shaw Engineering - Design	\$58,300.00	\$1,949.00	\$60,249.00
Construction Contract - Burdick Excavating	\$1,111,111.00		\$1,111,111.00
Construction Materials Testing - CME	\$18,800.00		\$18,800.00
External Construction Phase Services - Shaw Engineering	\$9,600.00		\$9,600.00
Construction Contingency	\$111,000.00		\$111,000.00
Unexpected Project Costs - (Ex. Additional		\$25,000.00	\$25,000.00

Materials Testing)			
		Total	\$1,372,260

V. ALTERNATIVES

Not approve \$25,000 to remain within the CIP budget. The risk to the District is holding up construction while additional funds are allocated to allow for more materials testing. Staff is still required to have a contract amendment for any dollar amount approved by the Board.

VI. COMMENTS

No additional comments.

VII. DISTRICT IMPROVEMENT, COST REDUCTION, RETURN ON INVESTMENT OR PRODUCTIVITY ENHANCEMENT

This action reduces the spending authority within the Project budget by \$400,910.00.

VIII. BUSINESS IMPACT

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

IX. ATTACHMENTS

1. 1_2023-04-12 Amendment 1 - Crystal Peak Waterlines

X. DECISION POINTS NEEDED FROM THE BOARD OF TRUSTEES

1. Approve a contract amendment with Shaw Engineering in the amount of \$1,949.00 resulting in a new contract amount of \$60,249.00,
2. Amend the Project budget to reduce spending authority in the amount of \$196,382.00.

AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT DATED MARCH 2, 2022
BETWEEN
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
AND
SHAW ENGINEERING, LTD.

This Amendment No. 1 to the Professional Services Agreement dated March 2, 2022 ("Amendment") is made and entered into as of March 9, 2023 by and between the Incline Village General Improvement District ("District") and Shaw Engineering, Ltd., a domestic corporation ("Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties."

Recitals

- A. Original Agreement. On March 2, 2022, the Parties have entered into a Professional Services Agreement for professional engineering design services on the District's Crystal Peak Watermain Replacement Project ("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 amend the Original Agreement to include a cost increase for payment of permit processing fees for the project.

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. Compensation: Amount of Compensation for this Amendment will be One Thousand Nine Hundred Forty-Nine Dollars (\$1,949.00), with payment to Contractor per Article 3 of the Original Agreement.
- 3. 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.
- 4. 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.
- 5. 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:

By: _____

Brad B. Underwood, P. E.
Director of Public Works

Date

Reviewed as to Form:

Joshua Nelson
District General Counsel

Date

CONTRACTOR:
Shaw Engineering, Ltd.
Agreed to:

By:  _____
Signature of Authorized Agent

Cody Black, President

Print or Type Name and Title

3/28/23

Date

If Contractor is a corporation, attach
evidence of authority to sign.

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Washoe County Community Services Department 22713
1001 East 9th Street
Reno NV 89512
(775) 328-2040

DATE 11/21/22

RECEIVED FROM Shaw Engineering LTD \$ 1949⁰⁰

HOW PAID	
CASH	<input type="checkbox"/>
CHECK	<input checked="" type="checkbox"/> <u>18046</u>
OTHER	<input type="checkbox"/>

FOR INGID Crystal Peak

BY Davina