

MEMORANDUM

TO: Board of Trustees

THROUGH: Indra Winquest
District General Manager

FROM: Brad Underwood, PE
Director of Public Works

SUBJECT: Review, discuss and possibly authorize IVGID Director of Public Works or his designee to direct, via a Work Order, Granite Construction to obtain competitive bids for approximately 8,000 lineal feet of pipeline materials for the Effluent Pipeline Project, Project: 2524SS1010 – Fund: Utilities; Division: Sewer and to bring those competitive bids to the IVGID Director of Public Works or his designee for review and future recommendation to the IVGID Board of Trustees for purchase

STRATEGIC

PLAN REFERENCE: Long Range Principle #5 – Assets and Infrastructure

DATE: October 12, 2022

I. RECOMMENDATION

That the Board of Trustees makes a motion to authorize IVGID Director of Public Works or his designee to direct, via a Work Order, Granite Construction to obtain competitive bids for approximately 8,000 lineal feet of pipeline materials for the Effluent Pipeline Project, Project: 2524SS1010 – Fund: Utilities; Division: Sewer and to bring those competitive bids to the IVGID Director of Public Works or his designee for review and future recommendation to the IVGID Board of Trustees for purchase

II. BACKGROUND

Public Works Staff is making plans to begin construction of approximately 8,000 lineal feet of pipeline replacement for the Effluent Pipeline Project. The target start of work is targeted for May 2023 at the beginning of the Tahoe Basin construction season. This will be the initial construction of this multi-year project

to replace approximately 6 miles of the 50 year old pipeline that has reached the end of its useful life. There is an urgent need to begin the construction early in the 2023 construction season as there is approximately 2,000 lineal feet of effluent pipeline in conflict with a current NDOT project near Marlette Creek. This portion of the construction is targeted for completion by early July 2023 to prevent further delays to the existing NDOT contract.

Granite Construction is in contract with the District as the Construction Manager At Risk (CMAR) on the Effluent Pipeline project and has been working alongside PW staff and the design consultant (HDR) during the design process. Therefore, staff recommends that the board provide authorization for Granite Construction to order and procure all necessary pipeline material in advance of a construction contract to avoid cost escalation and schedule delays. Recent market volatility has caused the fabrication and lead times for these materials to increase from “off the shelf” to six months or more depending on the size and specification of pipe. It is appropriate for Granite to order the pipeline material for the following reasons:

1. Procuring construction materials is something Granite Construction does regularly on projects that they construct.
2. Granite Construction will be responsible for securely storing the material at a mutually agreed upon location, or can negotiate on-time deliveries.
3. Granite Construction will be responsible for the condition of the material.
4. Granite Construction will be responsible to ensure all materials are ordered and available for construction.

There will be a cost markup by Granite Construction for the pipeline material purchase. This is standard practice within the industry and the material markup would also apply if the materials were to be ordered as part of the overall construction contract.

Granite Construction will solicit competitive bids through advertisement, and include in their bid package the necessary documentation to meet the requirements of Federal Funding such as Buy America required for certain materials. IVGID must comply with Federal funding requirements to receive the State Revolving Fund loans and USACE grants currently being pursued by IVGID staff. It is anticipated that the bidding period, once advertised will be 21 days. The bids will be reviewed by Granite and PW staff and a collective recommendation will be developed. Staff anticipates returning to the Board for potential award of contract late November or early December 2022.

III. BID RESULTS

There are no bid results for this item at this time. Once Granite Construction receives bids, the bids will be reviewed by both Granite and PW staff. Public Works staff will place on a future Board meeting agenda to recommend approval for procurement of pipeline materials for the Effluent Pipeline Project.

IV. FINANCIAL IMPACT AND BUDGET

There is no current fiscal impact associated with this item. However, it is anticipated the purchase order for pipeline materials will be between \$1.5 million to \$2 million. There are currently enough funds in the Effluent Pipeline project budget to cover the cost of this procurement.

V. ALTERNATIVES

There is no alternative proposed, as not purchasing the materials early would delay the beginning of construction. Delaying the beginning of construction could have a negative impact on the NDOT project currently under contract where the IVGID Effluent Pipeline is in direct conflict with their work.

VI. STRATEGIC PLAN REFERENCE(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.

- Maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure, and construct District assets to ensure safe and accessible operations for the public and the District's workforce.

VII. 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.

Attachment:

Effluent Pipeline Project CIP Data Sheet
Pipeline Procurement Location Map



Project Summary

| | |
|-------------------------|--|
| Project Number: | 2524SS1010 |
| Title: | Effluent Pipeline Project |
| Project Type: | B - Major Projects - Existing Facilities |
| Division: | 24 - Transmission |
| Budget Year: | 2023 |
| Finance Options: | |
| Asset Type: | SS - Sewer System |
| Active: | Yes |

Project Description

The Effluent Pipeline Project will be a multi-year pipe replacement project. The priority is to replace all of the remaining Segment 2 pipeline as defined in "Export Pipeline Preliminary Design report" by HDR, dated February 22, 2022, presented to the Board on March 1, 2022. Approximately 30,000 linear feet from Spooner Pump station to the start of Segment 3 (replaced in 2007 & 2008) and approximately 1.5 miles from Hwy50 intersection. The project timeline is to accomplish this over multiple construction seasons. The replacement of Segment 2 is anticipated to require three to five construction seasons.

Project Internal Staff

The engineering division will support this project. Outside consultants will be used for design and management. The project will be publicly advertised in accordance with NRS 338.

Project Justification

The District currently owns, operates and maintains a 21-mile pipeline that exports treated wastewater effluent out of the Lake Tahoe Basin. This pipeline was installed in 1970 as part of the regional effort to protect Lake Tahoe's water quality by requiring all wastewater effluent to be exported out of the basin. Various repair projects have previously replaced many sections of the effluent pipeline; Segment 2 is the original welded steel, high-pressure discharge pipe exiting the pump station and remaining low pressure jointed steel transmission pipeline within the Tahoe Basin running south towards Spooner Summit. A condition assessment completed on Segments 2 and 3 confirmed pipe deficiencies throughout Segment 2 and ongoing pipeline failures/leaks are increasing in frequency. The pipeline has exceeded its design life and is failing structurally and urgently requires replacement.

| Forecast | | | | |
|--|----------------------|-----------------------------|---------------------|------------------------|
| Budget Year | Total Expense | Total Revenue | Difference | |
| 2023 | | | | |
| External Design and CMAR Services | 500,000 | 0 | 500,000 | |
| Internal Design and Construction Mgmt support | 175,000 | 0 | 175,000 | |
| Phase I Construction Costs | 9,225,000 | 0 | 9,225,000 | |
| Project Start-up Permitting | 100,000 | 0 | 100,000 | |
| Year Total | 10,000,000 | 0 | 10,000,000 | |
| 2024 | | | | |
| Internal Construction & Project Management | 115,000 | 0 | 115,000 | |
| Permitting and Compliance | 30,000 | 0 | 30,000 | |
| Project Design and Construction Costs | 9,855,000 | 0 | 9,855,000 | |
| Year Total | 10,000,000 | 0 | 10,000,000 | |
| 2025 | | | | |
| Internal Construction & Project Management | 130,000 | 0 | 130,000 | |
| Permitting and Compliance | 30,000 | 0 | 30,000 | |
| Project Design and Construction Costs | 9,840,000 | 0 | 9,840,000 | |
| Year Total | 10,000,000 | 0 | 10,000,000 | |
| 2026 | | | | |
| Internal Construction & Project Management | 145,000 | 0 | 145,000 | |
| Permitting, Compliance and Restoration @ Project Close-out | 55,000 | 0 | 55,000 | |
| Project Design and Construction Costs | 9,800,000 | 0 | 9,800,000 | |
| Year Total | 10,000,000 | 0 | 10,000,000 | |
| | 40,000,000 | 0 | 40,000,000 | |
| Year Identified | Start Date | Est. Completion Date | Manager | Project Partner |
| 2012 | Jul 1, 2020 | Jun 30, 2025 | Engineering Manager | |

Effluent Export Pipeline Material Order - Initial 8,000LF Pipeline Location Map

