

## MEMORANDUM

**TO:** Board of Trustees

**THROUGH:** Indra Winquest  
District General Manager

**FROM:** Brad Underwood, P.E.  
Director of Public Works

**SUBJECT:** Reject the bids for the Slott Peak Court Water Main Replacement Project; 2021/2022 Capital Improvement Project: Fund: Public Works; Division: Water; Project # 2299WS1706 in accordance with NRS 338.1385, paragraph 6, subparagraph (d).

**DATE:** May 28, 2021

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### **I. RECOMMENDATION**

Staff recommends that the Board of Trustees make a motion, in accordance with NRS 338.1385, paragraph 6, subparagraph (d), to reject the bids received for the Slott Peak Water Main Replacement Project; 2021/2022 Capital Improvement Project: Fund: Public Works; Division: Water; Project # 2299WS1706 because acquisition of materials difficulties and escalation in cost of materials that currently exist in the market.

#### **EXCERPT FROM NRS 338.1385**

6. *Any bids received in response to an advertisement for bids may be rejected if the **public body or its authorized representative** responsible for awarding the contract determines that:  
(d) *The public interest would be served by such a rejection.**

### **II. BACKGROUND**

At the December 9, 2020 Board of Trustees meeting, Staff requested the appropriation of \$45,000 from unallocated Utility capital funds to advance the design of FY2021-2022 Capital Project: Watermain Replacement – Slott Peak Court 2299WS1705. This adjustment to the budget allowed design to begin early in FY2020-2021 to take advantage of the competitive bidding climate, which was evident by the four bids received. Staff intended to do an early award so that construction could begin immediately after July 1, 2021.

Recently, Staff reached out to the responsive low bid contractor to discuss the award. The contractor notified Staff of a 40% increased cost to materials and the lead time of 18 weeks, the latter of which puts the construction start date outside the Tahoe construction season. With this information staff believes it is in the District's best interest to reject all bids, and re-bid the project after January 1, 2022 with the intent to award the project allowing plenty of lead time for the contractor to obtain the necessary materials for the project and perform the work within the 2022 Tahoe construction season.

### III. BID RESULTS

Bids were received by four contractors and the overall responsive low bidder was F.W. Carson (Attachment A). See the table below for the summary of bids.

Contractor	Bid Schedule A	Bid Schedule B	Total Bid
F.W. Carson	\$169,980.00	\$ 11,200.00	\$181,180.00
Gerhardt & Berry	\$181,391.00	\$ 13,250.00	\$194,641.00
RaPid Construction	\$182,291.00	\$ 10,000.00	\$192,291.00
Burdick	\$209,845.00	\$ 1,000.00	\$210,845.00

### IV. FINANCIAL IMPACT AND BUDGET

The District's Five-Year Capital Improvement Plan adopted with the annual budget on May 27, 2020, included the annual Watermain Replacement project, Slott Peak Court Watermain Replacement #2299WS1705 FY2021-22 (\$250,000) (Attachment B). An adjustment to the budget was approved to allow for the design of the waterline to take place during FY2020-21 during the December 9, 2020 Board of Trustees meeting. The project was designed and bid in March of 2021, to be able to start construction after July 1, 2021.

Based on the breakdown of proposed project costs to date (see summary table below), the project would require a budget augmentation to cover estimated construction costs without addressing the 40% escalation in material costs. The anticipated increase in material prices as of (May 26, 2021) would equate to an increase of approximately \$20,000 to \$25,000. Currently, prices are increasing daily according to material suppliers.

Staff is hopeful that by delaying the project, supply chain shortages as a result of the pandemic will resolve over the remainder of 2021 and material prices will stabilize.

### V. ALTERNATIVES

Award the contract and renegotiate with the contractor due to increased material costs and a delay in construction.

### VI. 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.

Attachments:

A – Detailed Bid Results

B – FY21/22 CIP Data Sheet

Bid Tabulation  
2021 Watermain Improvements Project

Schedule A - Slott Peak				F. W. Carson		Gerhardt & Berry		RaPiD Construction		Burdick	
Item #	Description	Unit	Est. Qty.	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	Mobilization/Demobilization	LS	1	\$11,200.00	\$ 11,200.00	\$ 9,350.00	\$ 9,350.00	\$ 8,741.00	\$ 8,741.00	\$22,000.00	\$ 22,000.00
2	Temporary Erosion Control/Tree Protection	LS	1	\$ 5,500.00	\$ 5,500.00	\$ 7,835.00	\$ 7,835.00	\$10,000.00	\$ 10,000.00	\$ 4,000.00	\$ 4,000.00
3	Demolition	LS	1	\$17,600.00	\$ 17,600.00	\$ 7,365.00	\$ 7,365.00	\$10,000.00	\$ 10,000.00	\$ 2,000.00	\$ 2,000.00
4	Traffic Control	LS	1	\$ 9,000.00	\$ 9,000.00	\$ 6,500.00	\$ 6,500.00	\$10,000.00	\$ 10,000.00	\$23,000.00	\$ 23,000.00
5	Shoring & Worker Safety	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 500.00	\$ 500.00
6	2" Service Line	EA	5	\$ 3,500.00	\$ 17,500.00	\$ 8,500.00	\$ 42,500.00	\$ 5,500.00	\$ 27,500.00	\$ 5,400.00	\$ 27,000.00
7	8" PVC C900 Waterline (DR-14)	LF	297	\$ 140.00	\$ 41,580.00	\$ 138.00	\$ 40,986.00	\$ 150.00	\$ 44,550.00	\$ 185.00	\$ 54,945.00
8	Blow-Off Valve Assembly	EA	1	\$ 4,700.00	\$ 4,700.00	\$ 3,385.00	\$ 3,385.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
9	Lakeshore West Connection	LS	1	\$ 7,300.00	\$ 7,300.00	\$ 6,810.00	\$ 6,810.00	\$10,000.00	\$ 10,000.00	\$ 7,100.00	\$ 7,100.00
10	Lakeshore/Slott Peak Connection	LS	1	\$ 9,800.00	\$ 9,800.00	\$ 9,085.00	\$ 9,085.00	\$10,000.00	\$ 10,000.00	\$ 9,500.00	\$ 9,500.00
11	Lakeshore East Connection	LS	1	\$ 7,300.00	\$ 7,300.00	\$ 6,750.00	\$ 6,750.00	\$10,000.00	\$ 10,000.00	\$ 7,100.00	\$ 7,100.00
12	Fire Hydrant Assembly	EA	1	\$11,700.00	\$ 11,700.00	\$10,625.00	\$ 10,625.00	\$10,000.00	\$ 10,000.00	\$10,000.00	\$ 10,000.00
13	Pavement Restoration	SF	1,400	\$ 12.00	\$ 16,800.00	\$ 16.00	\$ 22,400.00	\$ 10.00	\$ 14,000.00	\$ 18.00	\$ 25,200.00
14	Site Restoration	LS	1	\$ 5,000.00	\$ 5,000.00	\$ 5,300.00	\$ 5,300.00	\$10,000.00	\$ 10,000.00	\$12,500.00	\$ 12,500.00
<b>Total Bid, Schedule A</b>					<b>\$ 169,980.00</b>		<b>\$ 181,391.00</b>		<b>\$ 182,291.00</b>		<b>\$ 209,845.00</b>

Schedule B - Valley/Len PRV Improvements

Item #	Description	Unit	Est. Qty.	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
15	Valley-Len PRV Improvements	LS	1	\$11,200.00	\$ 11,200.00	\$13,250.00	\$ 13,250.00	\$10,000.00	\$ 10,000.00	\$ 1,000.00	\$ 1,000.00
<b>Total Bid, Schedules A + B</b>					<b>\$ 181,180.00</b>		<b>\$ 194,641.00</b>		<b>\$ 192,291.00</b>		<b>\$ 210,845.00</b>



## Project Summary

<b>Project Number:</b>	2299WS1706
<b>Title:</b>	Watermain Replacement - Slott Pk Ct
<b>Project Type:</b>	D - Capital Improvement - Existing Facilities
<b>Division:</b>	21 - Supply & Distribution
<b>Budget Year:</b>	2021
<b>Finance Option:</b>	
<b>Asset Type:</b>	DI - Distribution Infrastructure
<b>Active:</b>	Yes

### Project Description

This project is a continuation of the multi-year program to replace 1960's era thin-wall steel watermain and other deficient watermain. This project will replace the watermain on Slott Peak, a Cul de Sac on the western end of Lakeshore Blvd. Replacement criteria is twofold: Replace those watermain with the most leaks and in streets with aging pavement. Since our water loss is now less than 6%, our main objective is to work closely with the Washoe County Road Department to replace watermain just prior to the County's repaving the street. We also work closely with the North Lake Tahoe Fire Protection District to determine areas of low fire flow, which may indicate a need for increased capacity in that area. There is approximately 6 miles of old steel watermain remaining in the system.

Our watermain replacement strategy involves meeting with Washoe County prior to each budget year and jointly agreeing on streets to be paved and watermain to be replaced. This project budgets to replace approx. 6 miles of pipeline in 15 years at \$1,500,000 per mile. Without additional escalators, that is \$9,000,000 in 15 years or \$600,000 per year. Adjustments have been made to allow for the trend of a high year then low year of work scheduled.

### Project Internal Staff

Engineering will perform Design, Engineering, Bidding, Contract Administration and Inspection tasks. Outside contractor to do the work. IVGID resources remain available for ongoing maintenance activities and emergency response.

### Project Justification

Our overall goal is to replace deficient watermain to keep our unaccounted for water loss to under 6% and to avoid costly pavement patch penalties imposed by Washoe County. The original watermain installed in much of Incline Village in the 1960's were thin-walled steel. These pipes are now failing repeatedly and need replacement. Washoe County has high pavement penalty costs for replacing watermain in newly paved streets. Replacing watermain in newly paved streets or streets with an excellent pavement condition could increase project costs by up to 50% due to pavement cut penalties.

### Forecast

Budget Year	Total Expense	Total Revenue	Difference
2022			
Construction Inspection & Testing	30,000	0	30,000
Internal Planning & Design	45,000	0	45,000
Washoe Co Street Repair and Penalties	25,000	0	25,000
Watermain Construction	150,000	0	150,000
Year Total	250,000	0	250,000
	250,000	0	250,000

Year Identified	Start Date	Est. Completion Date	Manager	Project Partner
2017	Nov 2, 2020	Jun 30, 2022	Senior Engineer	