

Council Meeting Staff Report

May 18, 2022

Agenda No.:

Indexes (Council Goals): * 2022 Council Goal - Investing in Infrastructure, DPU FY2020 - 1.0 Provide Safe and Reliable Utility Services, DPU FY2020 - 2.0 Achieve and Maintain Excellence in Financial Performance

Presenters: James Alarid

Legislative File: 15586-22a

Title

Award of Bid No. IFB 22-56 for the Purpose of the Los Alamos Wastewater Treatment Plant Tertiary Treatment Building Project.

Recommended Action

I move that the Board of Public Utilities approve the Award of Bid No. IFB 22-56 for the Purpose of the Los Alamos Wastewater Treatment Plant Tertiary Treatment Building Project with RMCI, Inc in the Amount of \$3,016,609.00, plus Applicable Gross Receipts Tax, and a Contingency in the amount of \$301,660.00, for a total project budget of \$3,538,858.53, and forward to Council for approval. I further move that the Board of Public Utilities approve Budget Revision 2022-60 and forward to Council for approval.

Utilities Manager Recommendation

The Utilities Manager recommends that the Board approve as presented.

Body

The project will construct a new filtration building and filtration treatment process at the Los Alamos Wastewater Treatment Plant. The new filtration process will improve the water quality of the effluent to achieve Class A effluent which will allow Los Alamos County to expand the use of effluent water and conserve potable water. The higher quality water can be used in closer proximity to populated areas and with less restrictions on the times when irrigation can occur. The filtration improvements have been planned for a number of years in the capital improvement plan prepared as part of the Non-Potable Water Master Plan in 2013. The Los Alamos Wastewater Treatment Plant currently produces effluent water quality classified as Class B.

Los Alamos County was awarded \$2,500,000 in the 2021 legislative session from the Water Trust Board to construct a filtration treatment process at the Los Alamos Wastewater Treatment Plant. The award is a combination grant / loan, where grant component is \$1,200,000 and the loan is \$1,300,000 at 0% interest with a 0.25% annual fee on the balance. In addition, the DPU must contribute \$210,000 in matching funds. The project was estimated in 2020 at the time DPU applied to the Water Trust Board. In the two years since then, we have experienced construction cost escalation of 70% - 100%. We received two bids for the project which were \$3,016,609 (less NMGR) and \$3,965,987 (less NMGR). As expected the bids were significantly higher than the WTB award. We are proposing to reallocate funds from DPU's American Rescue Plant Act (ARPA) funds and from another budgeted project which received no bids.

Alternatives

If the project is not approved the award from the Water Trust Board will be lost and the project will be

deferred.

Fiscal and Staff Impact/Planned Item

\$2,710,000 has been budgeted for this project in fiscal year 2022. The required project budget to cover the construction, NMGR, and contingency is \$828,858.53 above the budget. This overrun will be funded by diverting FY22 budgeted wastewater capital as follows; \$352,000 from the 33rd & 34th Street project, \$152,770.95 from Canyon Road project and diverting \$324,087.58 from DPU's ARPA allocation. Budget Revision 2022-60 will transfer the ARPA funds from the water fund to the wastewater fund.

Attachments

A - Project Drawings

B - Budget Revision 2022-60