

Staff Report

TO: Board of Directors

FROM: Doug Roderick, P.E., Director of Engineering

DATE: January 24, 2024

SUBJECT: **Maranatha Place District Financed Water Line Extension (DWFLE) (Project No. 2409) and Ali Lane DFWLE (Project No. 2643)**

ENGINEERING

RECOMMENDATION:

Adopt Resolution 2024-06 approving:

1. Amendment of Fund 15 Capital Budget as follows:
 - a. Maranatha Place DFWLE (Project No. 2409) in the amount of \$1,011,880
 - b. Ali Lane DFWLE (Project No. 2643) in the amount of \$462,416
2. Award a construction contract with LaFluer Excavating, Inc. in the amount of \$861,510, including a 5% contingency (for a total of \$904,585) for construction of the Maranatha Place DFWLE Project, and authorize the General Manager to execute any contract change orders within the contingency amount.
3. Award a construction contract with LaFluer Excavating, Inc. in the amount of \$376,277 plus a 10% contingency (for a total of \$413,905) for construction of the Ali Lane DFWLE Project and authorize the General Manager to execute any contract change orders within the contingency amount.

BACKGROUND:

MARANATHA PLACE DFWLE PROJECT:

The Maranatha Place DFWLE Project includes the installation of 2,970 feet of 8-inch ductile iron pipe and three fire hydrants within the Maranatha Place roadway west of Alta Sierra.

The Board of Directors approved the 12 funding agreements on September 28, 2022. The project was approved in the 2023 CIP Budget, however, due to the circumstances described below, the project was not completed in 2023.

A Request for Bids was sent to eleven (11) contractors on July 21, 2023, with bids due on August 15, 2023. Bids were received from five contractors. The low bid of \$904,921 was 28% over the Engineer’s estimate. Therefore, District staff rejected the bids. The project design was reevaluated and modified to provide potential cost savings.

The second Request for Bids was sent to eleven (11) contractors on November 3, 2023, with bids due on December 5, 2023. Bids were received from three contractors as follows:

Contractor	Quote
LaFluer Excavating	\$861,510
Hansen Bros Enterprises	\$882,403
C&D Contractors	\$950,410
Engineer’s Estimate	\$708,777

The re-bidding of the project resulted in a \$43,411 decrease in construction costs. Although construction costs were lowered, the overall project costs are still approximately 22% over the original construction cost estimate (\$707,777) used for the Funding Agreements. On December 7, 2023, District staff notified the participating property owners of the revised cost estimate as required by the Funding Agreement to give them a chance to request to be released from the Funding Agreement. Staff held a meeting on December 21, 2023, to discuss the increased costs and answer questions from the property owners. The eleven participating property owners had until January 4, 2024, to formally request to be released from the Funding Agreement. No requests were received.

ALI LANE DFLWE PROJECT

The Ali Lane DFWLE Project includes the installation of 1,210 feet of 8-inch ductile iron pipe and two fire hydrants within the Ali Lane roadway in Auburn.

The Board of Directors approved the four (4) funding agreements on October 26, 2022. The project was approved in the 2023 CIP Budget, however, due to the circumstances described below, the project was not completed in 2023.

A Request for Bids was sent to eleven (11) contractors on July 7, 2023, with bids due on August 3, 2023. Bids were received from five contractors. The low bid of \$444,389.50 was 48% over the Engineer’s estimate. District staff rejected the bids. The project design was reevaluated and modified to provide potential cost savings.

The second Request for Bids was sent to eleven (11) contractors on November 3, 2023, with bids due on December 5, 2023. Bids were received from four contractors as follows:

Contractor	Quote
LaFluer Excavating Inc.	\$376,277
C&D Contractors	\$389,790
Hansen Bros Enterprises	\$417,738

Lund Construction Co.	\$494,770
Engineer's Estimate	\$299,575

The re-bidding of the project resulted in a \$68,112.50 decrease in construction costs. Although construction costs were lowered, the overall project costs were approximately 26% over the original cost estimate (\$299,575) used for the Funding Agreements. On December 7, 2023, District staff notified the participating property owners of the revised cost estimate as required by the Funding Agreement to give them a chance to request to be released from the Funding Agreement. Staff held a meeting on December 21, 2023, to discuss the increased costs and answer questions from the property owners. The four participating property owners had until January 4, 2024, to formally request to be released from the Funding Agreement. No requests were received.

BUDGETARY IMPACT:

This action requires an amendment of the Fund 15 Water Capital Budget as follows:

- a. Maranatha Place DFWLE (Project No. 2409) in the amount of \$1,011,880
- b. Ali Lane DFWLE (Project No. 2643) in the amount of \$462,416

The breakdown of the proposed budget amendment is shown below:

Maranatha Place

Construction (plus 5%): \$904,585
Design/ROW/Inspection: \$107,295
Total: \$1,011,880

11 Parcels Participating: Total \$530,032
10 Non-Participating (NID Covers Until/If Parcels Connect): \$481,848

Ali Lane

Construction (plus 10%): \$413,905
Design/ROW/Inspection: \$48,510
Total: \$462,416

4 Parcels Participating: Total \$231,208
4 Non-Participating Parcels: Total \$231,208

Approval of the proposed amendment would increase the total Water Capital Fund 15 Budget by \$1,474,296 to \$8,526,396, with a projected ending spendable fund balance of \$19,436,245 at year-end. This amendment is offset by a transfer-in from Fund 12 Capacity Fees that was included in the original 2024 Annual Budget.

DR
Attachments: (1)
Resolution No. 2024-06



RESOLUTION NO. 2024-06

OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT

**APPROVAL OF 2024 FUND 15 CAPITAL BUDGET AMENDMENT,
ADDING MARANATHA PLACE DFWLE PROJECT NO. 2409 AND ALI
LANE DFWLE PROJECT NO. 2643**

WHEREAS, the Nevada Irrigation District (District) budget for the 2024 fiscal year reflects resources to meet the essential needs of the District and the District's customers; and

WHEREAS, the Board of Directors adopted the 2024 Annual Budget on November 8, 2023; and

WHEREAS, funding for these projects should come from Fund 12 Capacity Fees; and

WHEREAS, a Budget Transfer from Fund 12 Capacity Fees to Fund 15 Water Capital Fund in the amount of \$2,785,765 for these projects was approved by the Board of Directors on November 8, 2023, as part of the approval of the 2024 Annual Budget.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Nevada Irrigation District:

1. The Board of Directors hereby approves amending the 2024 Annual Budget Fund 15 Capital Improvement Plan as follows to add:
 - a. Maranatha Place DFWLE (Project No. 2409) in the amount of \$1,011,880
 - b. Ali Lane DFWLE (Project No. 2643) in the amount of \$462,416
2. The Board of Directors hereby awards a construction contract with LaFluer Excavating, Inc. in the amount of \$861,510, including a 5% contingency (for a total of \$904,585) for construction of the Maranatha Place DFWLE Project and authorizes the General Manager to execute any contract change orders within the contingency amount.
3. The Board of Directors hereby awards a construction contract with LaFluer Excavating, Inc. in the amount of \$376,277 plus a 10% contingency (for a total of \$413,905) for construction of the Ali Lane DFWLE Project and authorizes the General Manager to execute any contract change orders within the contingency amount.

PASSED AND ADOPTED by the Board of Directors of the Nevada Irrigation District at a regular meeting held on the 24th day of January 2024, by the following vote:

AYES:	Directors:
NOES:	Directors:
ABSENT:	Directors:
ABSTAINS:	Directors:

President of the Board of Directors

Attest:

Secretary to the Board of Directors