MEMORANDUM

TO: Board of Trustees

THROUGH: Steven J. Pinkerton
General Manager

FROM: Bradley A. Johnson, P.E.
Director of Asset Management
Charley Miller, P.E.
Principal Engineer

SUBJECT: Review, discuss and possibly approve Sole Source Finding and review, discuss, and possibly authorize a Procurement Contract for Sewer Pump Station #11 Replacement – 2017/2018 Capital Improvement Project: Fund: Utilities; Division: Sewer; Project # 2599DI1705; Vendor: Smith and Loveless in the amount of $66,706.00

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

DATE: March 16, 2018

I. RECOMMENDATION

That the Board of Trustees makes a motion to:

1. Make the following finding:

IVGID’s purchase of a packaged sewer pump station from Smith and Loveless, Inc. for the replacement of Sewer Pump Station #11 is exempt from competitive bidding for the following reasons:

A. This purchase is for additions to and repairs and maintenance of equipment which may be more effectively added to, repaired or maintained by a certain person (NRS 332.115.1.C). The District’s small packaged pump stations are comprised extensively of Smith and Loveless equipment. Additionally, the proposed equipment is identical to equipment purchased by the District in 2017, via a competitively bid procurement process, for station replacement at Sewer Pump Station #6.
B. The equipment proposed for purchase, by virtue of the training of the personnel or of any inventory of replacement parts maintained by the local government is compatible with existing equipment (NRS 332.115.1.d). The District’s small packaged pump stations are comprised extensively of Smith and Loveless equipment and the District employs Operators trained for Smith and Loveless equipment and maintains an inventory of replacement Smith and Loveless parts. Additionally, the proposed equipment is identical to equipment purchased by the District in 2017, via a competitively bid procurement process, for station replacement at Sewer Pump Station #6.

2. Authorize a procurement contract with Smith and Loveless, Inc. totaling $66,706 for a packaged sewer pump station for the replacement of Sewer Pump Station #11.

3. Authorize Staff to execute all purchase documents based on a review by General Counsel and Staff.

II. **DISTRICT STRATEGIC PLAN**

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 activities.

- The District will maintain, renew, expand, and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.

III. **BACKGROUND**

The District owns and maintains eighteen sewer pump stations in Incline Village and Crystal Bay to transport raw sewage collected from the community to the District Water Resource Recovery Facility on Sweetwater Road. These pump stations were constructed in the 1960s and 1970s and range in size from serving just a few houses up to pumping nearly half of the sewage flow in the District. The larger sewer stations are generally masonry block unit buildings. The smaller stations are generally below grade metal structures.
Sewer Pump Station (SPS) #11 is a small packaged pump station, located at the end of the Crystal Drive in Crystal Bay. Constructed in the early 1970s, this station is now over forty years old and has reached the end of its useful life. The packaged system is no longer supported by the manufacturer and spare parts are unavailable. SPS #11 is located within 200 feet of the shores of Lake Tahoe and reliable and continuous service is critical in order to avoid a sewage overflow to the lake.

The proposed contract will provide a packaged surface mounted pump station that utilizes the existing station's subsurface wet well. The packaged system includes all pumps, motors, power and control equipment, and all necessary accessories and appurtenances to provide long term reliable operation. The new packaged station also utilizes the existing utility power connection and main circuit breaker.

Fabrication of the packaged station is expected to take twelve weeks upon contract award. Once the station is built, it will be transported to Incline Village for installation via a separate, competitively bid construction contract.

IV. **BID RESULTS**

The proposed procurement contract, in compliance with NRS 332.115, is a sole source purchase from Smith and Loveless, Inc. and Staff did not seek competitive bids for the proposed Sewer Pump Station. Additionally, the proposed equipment is identical to equipment purchased by the District in 2017, via a competitively bid procurement process, for station replacement at SPS #6.

V. **FINANCIAL IMPACT AND BUDGET**

A total of $125,000 is included in the 2017/2018 Capital Budget under the Sewer Pumping Station #11 Replacement Project (see attached data sheet). The estimated project budget to complete the replacement project is outlined in the table below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>$66,706</td>
</tr>
<tr>
<td>Installation</td>
<td>$50,000</td>
</tr>
<tr>
<td>Permitting, Project Management, and Construction Oversight</td>
<td>$8,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$124,706</strong></td>
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</tbody>
</table>

The total estimated cost to complete the work is $124,706.
VI. **ALTERNATIVES**

None. The District must move forward with the replacement of SPS #11 in order to ensure reliable sewer collection operations to Crystal Bay and avoid a sewer overflow to Lake Tahoe.

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.
The District owns 18 sewer pumping stations in Incline Village and Crystal Bay. Sewer Pump Station #11 collects and transports the raw sewage in and around Crystal Dr. in Crystal Bay and transport to the wastewater treatment plant on Sweetwater Road. Constructed in the mid 1970s this station has provided reliable service. The station contains the mechanical and electrical equipment to pump sewage to the wastewater treatment plant. The pump station to be replaced is a wet well mounted packaged pump station. The new pump station includes the insulated enclosure, 2 pumps, high altitude motors, heaters, a sonic start system for priming and a SCADA system. Our mission is to maintain the excellent condition and reliability of our aging infrastructure to collect and pump sewage to the wastewater treatment plant and to protect the environment.

Project Internal Staff
Staff involvement is the coordination and contracting of the removal, procurement, and replacement of equipment with rebuilt or new equipment.

Project Justification
This project funds the replacement of sewer pumping station #11, with some treatment to the wet well. The age of the equipment, the number of hours of operation and other equipment analyses dictate replacement or rehabilitation of the equipment to maintain this reliability to provide continuous service. The forecast contains staffs best projection of the work to be performed.

Forecast

<table>
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<tr>
<th>Budget Year</th>
<th>Total Expense</th>
<th>Total Revenue</th>
<th>Difference</th>
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<tbody>
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<tr>
<td>Year Total</td>
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<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Year Identified</th>
<th>Start Date</th>
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<th>Manager</th>
<th>Est. Completion Date</th>
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<tr>
<td>2017</td>
<td>Nov 28, 2016</td>
<td></td>
<td>Principal Engineer</td>
<td>Dec 31, 2017</td>
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