

COUNCIL ACTION FORM

SUBJECT: COMMISSIONING SERVICES FOR LEED CERTIFICATION OF NEW WATER TREATMENT PLANT

BACKGROUND:

The new Water Treatment Plant is being funded by a State Revolving Fund (SRF) loan. The City has been awarded a portion of that as a “forgivable loan” in exchange for constructing the facility to a Leadership in Energy and Environmental Design (LEED) standard. The value of that award will depend on the actual bid prices, but is estimated at approximately \$6 million. Achieving the LEED certification requires the project to earn a specified number of “points.” The project owner is required to hire an independent LEED commissioning agent as a part of the mandatory LEED requirements. Additional LEED points can be earned by bringing the commissioning agent on to the design team prior to the midpoint in the design process.

On May 7, 2013, a Request for Proposals (RFP) was issued for LEED commissioning services for the new Water Treatment Plant. Twelve proposals were received in response to the RFP. Firms submitted a technical proposal based on their qualifications and experience. Additionally, firms submitted their fee proposal in a separate, sealed envelope. This allowed staff to rank the firms based on qualifications and experience before the fee proposals were opened.

After the initial review and ranking of the technical proposals, the fee proposals were opened for each firm. The qualifications of the top three firms (Facility Dynamics Engineering, Cornerstone Commissioning, Inc., and Karges-Falconbridge, Inc.) were ranked very closely, and it was determined that a closer review and scope comparison was necessary to decide. **After this additional review of the technical proposals, staff decided Karges-Falconbridge, Inc. had submitted the proposal most appropriate for the project.** Fee proposals for each of the firms submitting proposals for this project are listed below.

Firm	Fundamental Commissioning	Enhanced Commissioning	Additional Commissioning	Total Amount
AKF	\$44,250	\$17,625	\$49,100	\$110,975
Cornerstone Commissioning, Inc.	\$71,872	\$46,452	\$12,660	\$130,984
Cyclone Energy Group	\$149,000	\$41,000	N/A	\$190,000
Facility Dynamics Engineering	\$151,570	\$25,440	\$21,120	\$198,130
Horizon Engineering, LLP	\$69,602	\$23,216	\$15,507	\$108,325
Karges-Falconbridge, Inc.	\$36,000	\$18,500	\$10,500	\$65,000
M.E. Group	\$91,000	\$70,400	\$3,800	\$165,200
MEP Associates, LLC	\$110,000	\$39,650	\$20,000	\$169,650
Morrissey Engineering, Inc.	\$154,580	\$73,260	\$46,600	\$274,440
Sebesta Blomberg	\$69,800	\$21,900	\$14,300	\$106,000
Stanley Consultants, Inc.	\$168,415	\$35,378	\$98,890	\$302,683
SystemWorks, LLC	\$90,480	\$42,000	\$170,760	\$303,240

After negotiating the scope of services with Karges-Falconbridge, Inc., their final proposed fee for completing the required commissioning services is \$75,000. This includes \$65,000 for the fundamental commissioning, enhanced commissioning, and additional commissioning as included in their initial proposal, and \$10,000 for additional commissioning services at the owner's request. This additional \$10,000 is reserved with the intent of using it if additional inspections or testing are deemed necessary based on the success rate of mechanical equipment during initial testing.

ALTERNATIVES:

1. Award a contract for commissioning services to Karges-Falconbridge, Inc. of St. Paul, Minnesota in the amount not to exceed \$75,000.
2. Do not award a contract for commissioning services to Karges-Falconbridge, Inc. at this time.

MANAGER'S RECOMMENDED ACTION:

Fundamental commissioning of the New Water Treatment Plant is a prerequisite for LEED Certification, and is required for the City to receive an SRF forgivable loan estimated at \$6 million. Additional commissioning outlined in the RFP and in the scope of work for Karges-Falconbridge allows the new Water Treatment Plant to receive up to an additional two points toward LEED Certification, and also increases the likelihood of achieving significant energy efficiency over the life of the facility.

Therefore it is the recommendation of the City Manager to adopt Alternative No. 1, thereby awarding a contract to Karges-Falconbridge, Inc. of St. Paul, Minnesota in the amount not to exceed \$75,000.