

**COUNCIL ACTION FORM**

**SUBJECT:** WATER POLLUTION CONTROL FACILITY SLUDGE PUMPING  
BUILDING HEAT RECOVERY UNIT REPLACEMENT

**BACKGROUND:**

The Water Pollution Control (WPC) Facility's heat recovery unit serving the Sludge Pumping Building is used to provide ventilation and seasonal heating to the space. The Sludge Pumping Building can develop a hazardous atmosphere, and the operation of the heat recovery unit ensures that WPC staff can safely access the space at all times. The existing heat recovery unit was installed in 1989 and has reached the end of its useful life. On February 9, 2016, Council issued a notice to bidders for the replacement of this heat recovery unit.

Bids were opened for the project on March 9, 2016. The one bid received is shown below:

Bidder	Total Project Bid Price
<i>Engineer's Estimate</i>	<i>\$ 83,400</i>
Mechanical Comfort, Inc.	\$ 99,100

Staff discussed the details of the cost proposal with the bidder, and noted the labor costs were consistent with what was assumed in the engineer's estimate. The higher bid price is due to the cost of the equipment. The sole bidder shared that they had received proposals from three different vendors for the equipment, all of which were very competitive with one another, but higher than the engineer had assumed. Based on that evaluation, staff believes that the sole bid received is reflective of the true cost of this work.

The project budget is now updated as shown below.

Engineering	\$	8,800
Construction	\$	99,100
<u>Contingency (10% of construction)</u>	<u>\$</u>	<u>9,900</u>
Total	\$	117,800

The project is included in the Amended FY 15/16 budget at \$92,000. Savings from the WPC Blower Replacement Project is available to provide the total project budget needed, as shown below.

Funding Sources:

FY 15/16 CIP	\$ 92,000
Savings from Blower Replacement Project	\$ 25,800
Total Funds Available	\$ 117,800

**ALTERNATIVES:**

1. Award a contract for replacement of the Sludge Pumping Building Heat Recovery Unit at the Water Pollution Control Facility to Mechanical Comfort, Inc. of Ames, Iowa, in the amount of \$99,100.
2. Do not award a contract at this time.

**MANAGER'S RECOMMENDED ACTION:**

The Sludge Pumping Building heat recovery unit is essential to the operations and maintenance of the Water Pollution Control Facility. Due to long lead times for equipment fabrication, it is important that this project remain on schedule to allow for replacement before the Fall 2016 heating season begins.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as stated above.