

COUNCIL ACTION FORM

SUBJECT: WATER PLANT DEHUMIDIFICATION PROJECT

BACKGROUND:

The new water treatment plant started operation in 2017. After the facility start up, staff identified three areas where dehumidification is needed, but was not included in the initial construction. Lack of dehumidification causes condensation to form on pipes, creating a maintenance issue for the pipe coatings. The condensation also causes potential safety concerns with pooling water on the floor and corrosion issues on electronics and control systems.

Council issued a noticed to bidders on November 24, 2020. On December 23, 2020, bids were opened. Two bids were received.

Bidder	Base bid	Optional add item
<i>Engineer's Estimate</i>	\$223,000	\$20,000
Mechanical Comfort, Inc.	\$252,600	\$10,340
AJ Allen Mechanical Contractors, Inc.	\$276,600	\$7,500

Mechanical Comfort, Inc. is the lowest responsible bidder. As shown in the table above, both bids received exceed the Engineer's Estimate. This price difference can be attributed to recent increases in construction material prices.

Staff chose to bid the project with destratification fans for one of the rooms as an optional, additional item. Staff is recommending awarding this optional add item. The destratification fans will help to recycle conditioned air and improve circulation. This is expected to save energy by reducing HVAC run times.

The FY 2018/19 facility improvements CIP budget includes \$400,000 for design and construction of dehumidification. As shown below, this budget is sufficient for the project.

The summary of the project costs is shown below.

Project Budget

FY 2018/19 CIP \$ 400,000

Estimated Project Expenses

Engineering	
Design	\$ 66,500
Bidding and Construction admin	\$ 11,500
Construction Cost	\$ 262,940
<u>Contingency (10% of construction)</u>	<u>\$ 26,000</u>
Total Estimated Expense	\$ 366,940

ALTERNATIVES:

1. Approve final plans and specifications and award a contract for the Water Plant Dehumidification Project to Mechanical Comfort, Inc. of Ames, Iowa, in the amount of \$262,940.
2. Approve final plans and specifications and award a contract for the Water Plant Dehumidification Project to AJ Allen Mechanical Contractors, Inc. of Des Moines, Iowa, in the amount of \$284,100.
3. Do not award a contract at this time.

CITY MANAGER'S RECOMMENDED ACTION:

Several areas of the water treatment plant need dehumidification in order to extend the useful life of piping and electronics, as well as alleviate some potential safety issues. The project was budgeted in the 2018/19 CIP as a part of the Water Plant Facility Improvements Project. Those funds have been rolled over into the current year budget. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.