

COUNCIL ACTION FORM

SUBJECT: AWARD OF CONTRACT - CITY HALL HEAT PUMP REPLACEMENT PROJECT

BACKGROUND:

The current year's budget and Capital Improvements Plan (CIP) contains funding to begin replacement of the heat pumps in City Hall and the Community Center. The 171 current heat pumps were installed in 1989 during the initial renovation of the building. The life expectancy of these units was 12 to 15 years; with the existing ones now being 21 years old. In the last two years, two units have failed and have been replaced with complete new units, plus 2 other units have failed and are out of service. Compressors in several other units have failed over numerous years and have been replaced. Every year several units need to be recharged with coolant; and repair and replacement parts for the existing units are now becoming more difficult to obtain.

The FY 2010/11 & 2011/12 CIPs include a project for replacing all of the heat pumps at a total estimated cost of \$880,000. Funding for this project includes \$500,000 in FY 10/11 from the Energy Efficiency and Conservation Block Grant (EECBG) federal stimulus program, \$80,000 from General Obligation bonds; and \$300,000 in FY 2011/12 from General Obligation bonds. Also in the CIP are Cool City funds of \$200,000 in FY 09/10 & \$200,000 in FY 10/11. \$77,400 of these Cool City funds have been earmarked, via energy audit recommendations, to add a variable frequency drive (VFD) to the loop pump and install circulation control valves on each heat pump to improve the energy efficiency of this system.

On January 11, 2011, the City Council approved plans and specifications for the Heat Pump Replacement Project. On February 15, 2011, bids were opened for this project. The Engineer's Estimate is \$880,000. Six bids received as follows:

Bidder	Base Bid Amount	Alternate Bid
Drees Company, Carroll, IA	\$636,560.00	\$88,287.00
ACI Mechanical, Ames, IA	\$657,800.00	\$67,800.00
Mechanical Comfort, Inc., Ames, IA	\$691,553.00	\$78,360.00
Wolin & Associates, Inc., West Des Moines, IA	\$721,100.00	\$43,900.00
Hutson –Thompson Plumbing, Inc., Huxley, IA	\$913,000.00	\$85,000.00
Proctor Mechanical Corp., West Des Moines, IA	\$987,600.00	\$95,264.00

On March 1 the Council moved the date for award of bids to the March 8 meeting.

ALTERNATIVES:

1. Award a contract for the City Hall Heat Pump Replacement Project to Drees Company of Carroll, IA in the amount of \$724,847.00
2. Delay or do not proceed with this project.

MANAGER'S RECOMMENDED ACTION:

The design work for replacement of these heat pumps with 14 SEER rated, geo-thermal ready units has been completed by the consulting engineer. Over \$500,000 in EECBG funding and \$88,287 in Cool City funding is already available to begin the project. The remaining funding for the project will come from \$136,560 of General Obligation bonds.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby Award a contract for the City Hall Heat Pump Replacement Project to Drees Company of Carroll, IA in the amount of \$724,847.

It has been noted that the cost for the alternate bid to install variable frequency drives is \$10,887 more than estimated in our Cool Cities project funding pool. However, staff believes other savings will be realized from these projects to offset this overage.