

COUNCIL ACTION FORM

SUBJECT: BAKER SUBDIVISION GEOTHERMAL WELL INSTALLATION AWARD

BACKGROUND:

On December 8, 2020, City Council approved the preliminary plans and specifications for the Baker Subdivision Geothermal Well Installations. **The geothermal system would provide home heating and cooling and boost water heating efficiency for all the single-family homes in the subdivision. The multi-family portion of the subdivision is not included in this bid. The heating and cooling for the multi-family portion of the subdivision (Phase 2) will be designed and bid at a later date.**

This geothermal system project was motivated by an interest in advancing the environmental sustainability of the subdivision developed by the City, while maintaining affordable utility costs for the mixed-income neighborhood. The system would help to balance the seasonal load and utilization of existing electric infrastructure and reduce community greenhouse gas emissions.

Bid documents were issued to twelve companies and were sent out to five plan rooms. The bid was also advertised on the Current Bid Opportunities section of the Purchasing webpage and a Legal Notice was published on the websites of a contractor plan room service with statewide circulation and the Iowa League of Cities.

On January 27, 2021, two bids were received as shown below:

Bidder	Bid Price	Sales and/or Use Taxes Included	Evaluated Bid Price
Thorpe Water Development Co. Ankeny, IA	\$233,618.00	\$2,217.00	\$235,835
Geotechnologies LLC Bayvillage, OH	\$345,935.96	\$13,000.00	\$358,935.96

Staff reviewed the bids and concluded that the apparent low bid submitted by Thorpe Water Development Company, Ankeny, IA, in the amount of \$235,835 (inclusive of Iowa sales tax) is acceptable.

The engineer's estimate for the construction of the project is \$267,000. The project life is estimated at over 50 years. One goal of the project would be to keep the utility costs of homes in the neighborhood comparable to or lower than those with more traditional heating and cooling systems.

The approved Demand Side Management budget contains \$405,756 carried forward from the FY 2019/20 budget to cover this project cost.

ALTERNATIVES:

1. Award a contract to Thorpe Water Development Company, Ankeny, IA, for the Baker Subdivision Geothermal Well Installations in the amount of \$235,835 (inclusive of Iowa sales tax).
2. Award a contract to the other bidder.
3. Reject all bids, which will delay this project.

CITY MANAGER'S RECOMMENDED ACTION:

A district geothermal system will provide highly efficient, affordable, and sustainable space heating and cooling to the new development. This application of geothermal heating and cooling would introduce more local contractors and residents to the technology and model an innovative project structure for other communities.

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