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Department of Utilities  
Appleton Water Treatment Facility  
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**To:** Chairperson Brad Ferkus and Members of the Finance Committee

**From:** Utilities Deputy Director, Chris Stempa

**Date:** June 8, 2023

**Re: Finance Committee Action:** Award "AWTF Compressed Air System Improvements Project" Base Bid to Rhode Brothers, Inc. in the amount of \$177,700 with 10% contingency of \$17,770 for a project total not to exceed \$195,470

**Finance Committee Action:** Approve positive fund balance transfer of \$50,000 from the Lake Station Intake Consulting budget to the AWTF Compressed Air System Improvements Project

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## **BACKGROUND**

The Appleton Water Treatment Facility (AWTF) utilizes compressed air for various processes, instrumentation, and for general use (e.g. tools). The existing compressed air system is comprised of (1) Atlas Copco 40 HP, manufactured in 1993, and (1) Kaiser 50 HP compressor, installed in 2003, that are the primary facility compressors along with (2) Saylor-Beall compressors, installed in 2001, that are used for back-up. The Atlas Copco compressor was purchased and installed later by facility staff. The Saylor-Beall compressors only run if both of the primary compressors have failed. The Atlas Copco and Kaiser compressors currently operate in a lead/lag configuration with change-over happening every 24 hours. The existing Kaiser and Atlas Copco compressors have exceeded their projected useful life and have experienced various service-related issues over the past several years.

The increasing frequency of compressor mechanical issues coupled with questions arising regarding required capacity and efficiency provided the basis of this CIP. McMahon provided an engineering evaluation based on compressor unit current conditions and operating parameters, air system controls, capacity needs, load duty cycles, and energy consumption analyses. The findings of that evaluation were utilized to select the most technically and economically sound replacement options that factored all existing sub-systems. That information served as the foundation of the construction plans and specifications that McMahon prepared for public bidding.

**BIDS:**

On Wednesday, June 7, 2023 the City opened and reviewed the bids from two contractors which are summarized in the Table 1 below. Each bid met the submittal requirements. Rhode Brothers, Inc. was the least cost responsible bidder. However, the total bid amount exceeded the original approved budget by approximately 18%. The cost escalation is not unique to this public bid and broadly extends into nearly every facet of procurement. Contributing factors include but are not limited to sustained high demand for goods and services along with inflationary increases since this project budget had been formulated.

**Table 1: Bid Tab Summary**

<b>Company</b>	<b>Base Bid</b>
August Winter and Sons, Inc.	\$206,000
Rhode Brothers, Inc.	\$177,700

**RECOMMENDATION:**

The Utilities Department requests the transfer of \$50,000 in remaining funds from the Lake Station Intake consulting budget to cover the budget shortfall associated with the AWTF Compressed Air System Improvements Project bid amount plus 10% contingency. The Finance Department was consulted to help provide this recommendation and provided the attached Budget Amendment Request form.

I am requesting an award of the Compressed Air System Improvements Project base bid to Rhode Brothers, Inc. in the amount of \$177,700 with 10% contingency of \$17,770 for a project total not to exceed \$195,470.

If you have any questions or require additional information regarding this project please contact Chris Stempa at 920-832-5945.