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**PARKS, RECREATION & FACILITIES
MANAGEMENT**

Dean R. Gazza, Director

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TO: Finance Committee

FROM: Dean R. Gazza

DATE: 10/22/2018

RE: Action: Award the 2017 "B-Building Boiler Replacement Project" contract to Great Lakes Mechanical, Inc. in the amount of \$790,587 with a contingency of 9% for a project total not to exceed \$860,000.

Action: Approve positive balance transfer of \$110,000 from the "WWTP Improvement Project" to "B-Building Boiler Replacement Project"

Action: Approve positive balance transfer of \$250,000 from the "WWTP Hardscapes Project" to "B-Building Boiler Replacement Project"

Action: Approve positive balance transfer of \$150,000 from the "WWTP Electrical Distribution Project" to "B-Building Boiler Replacement Project"

Parks, Recreation, and Facilities Management Department (PRFMD) has identified the need to install a new boiler in the B-Building at the Wastewater Treatment Plant (WWTP). The 2017 CIP identified \$180,000 to design and install a new natural gas boiler. The balance after design fees, was rolled over into the 2018 WWTP HVAC upgrades project that consisted of \$250,000. Concurrently, WWTP operations was implementing a Bio-Gas utilization study. PRFMD, WWTP operations, and the selected consultant formed a project team to explore all options for Bio-Gas utilization. The option with the best cost benefit ratio was to install a new bio-gas boiler in-lieu of the natural gas boiler. The final proposed project will include a new bio-gas boiler in the B-Building, bio-gas piping modifications, and a bio-gas compressor to feed compressed gas to all three bio-gas boilers. Currently, there are two existing bio-gas boilers that were successfully installed and have been operating since 2011. When this proposed project is complete, all of the heating load for the WWTP will be supplied by bio-gas. It was determined by the consulting engineer that this project will save approximately \$103,000 annually on our utility bills. We have also been approved by Focus on Energy for a rebate, in the amount of \$167,180, to be issued when the project is completed.

During the design process it was determined that the current budget would not be enough to cover the cost of installing a new bio-gas boiler, but with the estimated yearly cost savings and the Focus on Energy rebate, the project will have a six year payback. With the short payback and high return on investment, this is a very attractive project. Therefore we are asking for the budget

amendments above to make this project possible.

The positive fund balances are a combination of Utilities CIP's and Facilities Management CIP's. In addition, the scope of work in the Hardscape CIP was completed as part of the Electrical Distribution Project as the work was a component of the hardscapes surrounding the electrical sub-station. Last, we received very favorable bids for the first phase of the electrical distribution project compared to our engineering consultants budget estimate. Overall, though it requires various budget transfers we feel fortunate to be able to find a means to complete this existing project without adding an additional CIP or having to budget additional dollars.

This project has been a collaborative team effort between the Utilities and Facilities Management Department towards another project with a low payback and sustainable results.

The bids were received as follows:

Great Lake Mechanical, Inc. (low bid)	\$790,587
EGI Mechanical Inc.	\$806,471
Reeke-Marold Co., Inc.	\$855,000
Hurkman Mecahnical Industries Inc.	\$898,500
JF Ahern Co.	\$903,000

Our consulting engineer has written the City of Appleton a formal letter of recommendation to award the contract to Great Lake Mechanical, Inc. The Parks, Recreation, and Facilities Management Department has also reviewed the bids and is in agreement with the engineer's recommendation. Therefore, we recommend awarding the contract to Great Lakes Mechanical, Inc. in the amount of \$790,587 plus a contingency of 9% only to be utilized as needed.

Please contact me at 832-5572 or at dean.gazza@appleton.org with any questions.