



CITY OF APPLETON

Department of Parks & Recreation
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TO: Finance Committee

FROM: Dean R. Gazza

DATE: August 26, 2024

RE: Action: Award the “AWWTP Waste Heat-to-Power Generator Install Project” contract to Rhode Bros, Inc. in the amount of \$563,500 with a contingency of 7.5% for a project total not to exceed \$605,763.

Action: Approve budget transfer of \$200,000 from the “AWWTP Sludge Storage Building Addition Project” to “AWWTP Waste Heat-to-Power Project”.

BACKGROUND

The Appleton Waste Heat-to-Power (AWHP) Project will install two waste heat-to-power generators for utilizing methane gas historically flared to the atmosphere. The AWHP Project will produce clean energy while consuming no additional fossil fuels, thus lowering emissions. This project utilizes an otherwise flared methane gas in the existing biogas boilers, and both creates and utilizes a new renewable electricity resource for the Appleton Wastewater Treatment Plant (AWWTP). The City of Appleton has been awarded two grants in order to complete this project. (PSC EIG Grant - \$498,000 and FOE Grant \$57,736.20). This project is estimated to save \$44,755 per year in energy savings along with lowering the monthly demand charge for the electric bill.

This contract is for installing the generators, hot water/cooling piping, electrical, and controls needed for the competition of waste-heat-to-power project. The City of Appleton has purchased the waste heat-to-power generators under a separate contract. This contract will cover the labor and materials needed to complete the install.

The bids received were as follows:

Rhode Brothers, Inc. (Low Bid)	\$563,500
August Winter & Sons, Inc.	\$654,729
Great Lakes Mechanical Inc.	\$668,500

We are requesting a \$200,000 budget transfer from the AWWTP Sludge Storage Building Addition Project. The AWWTP Sludge Storage Building Addition Project bid under the estimated budget and has a positive balance that can be transferred to the AWWTP Waste Heat-to-Power Project.

When the grant was initiated in 2023, the engineers preliminary cost estimate for installation was \$365,000. In the past year, labor and materials have increased in price along with items that were later identified in final design process caused the project to bid over budget. Between the two awarded grants and IRA incentives, the project will still have only a two-year payback with the additional funds added to the budget

RECOMMENDATION

Our consulting engineer has written the City of Appleton a formal letter of recommendation to award the contract to Rhode Brothers, Inc. The Division of Facilities and Construction Management has also reviewed the bids and is in agreement with the engineer's recommendation. Therefore, we recommend awarding the contract to Rhode Brothers, Inc. in the amount of \$563,500 plus a contingency of 7.5% only to be utilized as needed.

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