



## *City Council Memorandum*

**To:** Mayor Fasbender & City Councilmembers  
**From:** Justin Fortney, City Planner  
**Date:** August 7, 2023  
**Item:** Approve Change Order #1 City Hall HVAC Project

### **Council Action Requested:**

Council is requested to approve the attached change order for the City Hall HVAC Project increasing the project cost from \$588,000 to \$736,000 (a \$148,000 increase). This change order will locate boilers in the Police Station to heat both buildings. A simple majority is necessary for action.

### **Background Information:**

The original scope of the HVAC project was to reduce the humidity in City Hall for air quality and preservation of the building. This humidity reduction requires the slight reheating of extra chilled air in the summer. The current boilers were not capable of this light duty work and were past their useful life, in addition to being inefficient steam boilers.

### **Financial Impact:**

As the project was getting close to beginning, several issues were identified, including difficulties getting the new boilers into the boiler room and building and fire code deficiencies with the existing boiler and fuel storage rooms. While studying these issues several HVAC professionals began pointing out that these issues would not pertain to the police station which is of modern construction. Larger boilers in that building could easily heat both buildings more efficiently. Additionally, the PD boilers are scheduled for replacement in two years due to their age. The estimated replacement cost for those boilers in two years is between \$500,000 and \$800,000. The resolved code deficiencies, increased heating efficiencies, reduced maintenance and operational costs clearly identified that a combined heating plant was prudent and worth the project delay and design modifications. Both buildings are already sharing the same chiller plant that is located on the roof of the PD building. Instead of having two boilers in each building, two larger boilers will be in the PD building. Generally, one operates while the other is a backup.

The change order also includes changing from a fuel oil backup that is stored inside the building to propane that is stored in an underground tank. This reduces storage space inside the building, removes a significant amount of flammable fuel from the building, burns cleaner, more readily available, saves about \$26,000 needed to fire rate the fuel storage space, and fuel oil compatible boilers may not be available in the future as they

are already being banned in Europe. A small access lid will be visible in the lawn behind the PD building.

The Change Order will also require the City to spend an additional \$50,000 for excavation and installation of the underground propane tank. The cost will be offset by not having to make the City Hall boiler room and fuel oil room code compliant and not needing temporary removal of wall and stairs to allow installation within the building.

**Advisory Commission Discussion:**

N/A

**Council Committee Discussion:**

N/A

**Attachments:**

- Change Order

Change Order No. 1  
City Hall HVAC Project

<b>Burnn Estimate Re-Cap</b>			
	<b>Original</b>	<b>New</b>	<b>Delta</b>
<b>Boilers</b>	\$ 123,859	\$ 213,745	\$ 89,886
<b>Valves</b>	\$ 5,844	\$ 15,391	\$ 9,547
<b>Crane</b>	\$ 15,000	\$ 2,500	\$ (12,500)
<b>Pump Trim</b>	\$ 2,101	\$ 3,144	\$ 1,043
<b>Glycol</b>		\$ 18,900	\$ 18,900
<b>Fireproofing</b>	\$ 8,200		\$ (8,200)
<b>Permapipe</b>		\$ 20,000	\$ 20,000
<b>Labor</b>	\$ 93,500	\$ 153,000	\$ 59,500
<b>Flue Work</b>	\$ 50,000	\$ 14,500	\$ (35,500)
<b>Temp Control</b>	\$ 20,325	\$ 24,561	\$ 4,236
<b>Electrical</b>	\$ 14,215	\$ 18,280	\$ 4,065
<b>Insulation</b>	\$ 9,600	\$ 14,500	\$ 4,900
<b>Bonds Permits</b>	\$ 11,760	\$ 14,800	\$ 3,040
	\$ 354,404	\$ 513,321	\$ 158,917
<b>MSC</b>	\$ 233,000	\$ 223,000	
<b>Total Bids</b>	\$ 587,404	\$ 736,321	\$ 148,917
<b>Final</b>	\$ 588,000	\$ 736,000	\$ 148,000

