



City Council Memorandum

To: Mayor Fasbender & City Council Members
From: Justin Fortney, City Planner
Date: March 15, 2023
Item: Notice of Pending Change Order - City Hall HVAC Project – Burnn Boiler and Mechanical LLC.

COUNCIL ACTION REQUESTED

Council is requested to consider the pending change order for concerns related to approval.

BACKGROUND INFORMATION

The City was appropriated two million dollars of State General Obligation Bond grant dollars for the City Hall repair project, part of this project included HVAC work to reduce City Hall humidity. This includes the replacement of the inefficient and obsolete boilers in City Hall.

Replacement of the boilers will be difficult due to the large size of the modern boilers, necessitating partial and temporary removal of the concrete basement steps and boiler room wall, along with a myriad of building and fire safety code upgrades to the boiler and fuel oil storage rooms. During a preconstruction consultation with the contractor and project engineer, it was determined that a better design would be to remove all boilers, natural gas, and fuel oil from City Hall and replace the boilers in the Police Station with new larger efficient units that can heat both buildings. The existing boilers in the Police Station are scheduled for replacement in two years for an estimated 300k-500k. This configuration will be more energy efficient, reduce operational and maintenance duties, Increase the amount of discounted natural gas through our curtailment agreement, and reduce future boiler replacement expenses by half. The air-conditioning chiller on the roof of the Police Station is already tied into the City Hall HVAC system.

Due to project timing, delay of the boiler fabrication the extra couple of weeks needed for design and change order development is not prudent. Staff is informing the Council of the concept change to resume boiler construction with the new sizing. Below is a rough estimate of the change order. The engineering design will likely add some smaller additions to the proposed budget. An official change order is anticipated for the June 5th City Council meeting.

STAFF RECOMMENDATION

Staff is recommending to upsize the boilers and design a change order to install two new boilers in the Police Station to heat both buildings.

ATTACHMENTS

- Change Order Estimate

Preliminary Change Order Estimate

VIII-10

Original Contract	\$ 588,000		
Deductions		Adds	
Fire Proofing Rooms	\$ (8,200)	Boiler Upsizing	\$ 114,231
Crane Work Flue Install	\$ (52,000)	Additional Boiler Demo	\$ 10,000
Water Softener Relocation	\$ (1,000)	Glycol	\$ 24,000
Total Deductions	\$ (61,200)	Excavation and Underground Piping	\$ 50,000
		Backup Fuel Improvements	\$ 20,000
		Total Adds	\$ 218,232
		Total Deductions	\$ (61,200)
		New Contract Value	\$ 745,032
		Addition to Contract	\$ 157,032

The next lowest bid for the original contract, which was awarded to Burnn for \$588,000 was Magnuson Construction for \$754,484