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|  <p style="text-align: center;">Council Communication Office of the City Manager</p> | Date: May 9, 2011 |
| | <p>Agenda Item No. 36</p> <p>Roll Call No. <u>11-802</u></p> <p>Communication No. <u>11-277</u></p> <p>Submitted by: Donald L. Smithey Aviation Director</p> |

AGENDA HEADING:

Approve Amendment No.1 to the Office of Energy Independence (OEI) State Program Grant Sub-Recipient Contract, No. SEP 10-5580, changing the scope of work on the HVAC system at Des Moines International Airport.

SYNOPSIS:

The project is currently underway. This amendment simply provides adjustments to the project scope of work, reducing work to be completed on the cooling system at the Airport so as to stay within the grant award.

FISCAL IMPACT: NONE

Amount: There is no fiscal impact as only the project scope of work is being changed.

Funding Source: N/A

ADDITIONAL INFORMATION:

On June 1, 2010, Energy Services Group (ESG) completed an application on behalf of the Airport to the State of Iowa Office of Energy Independence (OEI) for a grant to make energy saving updates to the Airport’s HVAC system. Estimated project costs of the updates totaled \$2,350,000.00. Elements of the proposed project included:

- 1) Converting the central steam heating system to hot water heat
- 2) Replacing two concourse boilers with high efficiency condensing boilers
- 3) Adding a variable frequency drive system to the newest of our three chillers and converting the central plant to a variable primary flow configuration for chilled water
- 4) Retrofitting 19 air-handling units in the terminal and concourses to variable air volume with fan powered reheat boxes using CO2 demand control ventilation

On September 13, 2010, by Roll Call 10-1512, the City Council approved the Office of Energy Independence State Energy Program Grant Agreement between the City and the Office of Energy Independence (OEI) in the amount of \$783,333.00 for Capital Improvements to the HVAC system in the Airport Terminal. This grant requires a 2-to-1 match in funds; the Airport’s estimated contribution is \$1,566,667.

Seasonal weather considerations required design and construction to be broken into phases, a heating phase and a cooling phase. On March 1, 2011, the Airport Board entered into a construction contract with Baker Mechanical, Inc. dba Baker Group, in the amount of \$1,555,998 for the heating phase of the project. Bids on the heating phase were approximately double what had been estimated by ESG, which was the basis of the grant award. Upon review of the bids, OEI has determined the work in the heating phase still meets their criteria of energy reduction sufficient to recoup the cost within the useful life of the new system. However, in order to stay within the original budget, the cooling phase of the project must be greatly reduced. The new scope of work proposed will now include:

- 1) Converting the central steam heating system to hot water heat
- 2) Replacing two concourse boilers with high efficiency condensing boilers
- 3) Retrofitting three air-handling units in the terminal and concourses

To memorialize this change in the scope of work, an amendment to the original grant is required. Since the grant was approved by the City Council, the amendment must also be approved by the City Council.

PREVIOUS COUNCIL ACTION(S):

Date: September 13, 2010

Roll Call Number: 10-1512

Action: [State](#) Energy Program Grant Agreement with Iowa Office of Energy Independence (OEI), for Capital Improvement to the Airport HVAC system, \$783,333. ([Council Communication No. 10-560](#))
Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: May 3, 2011

Resolution Number: Airport Board A11-063

Action: Recommend Approval of the Changes to the Scope of Work in the Office of Energy Independence Grant (BC 11-0506) Moved by Mr. Brooks to adopt. Motion carried: 5-0-0-2

Date: April 5, 2011

Resolution Number: Airport Board A11-052

Action: a) Approved Plans, Specifications, Form of Contract Documents, and Engineer's Estimate for the Airport Concourse & Terminal Boiler Replacement: Receive and File Bids; and Designate the Lowest Responsive, Responsible Bidder as the Baker Group, Bernard J Baker III, Chairman, in the Amount of \$1,555,998.00; and b) Approval of Contract and Bond and Permission to Sublet. Moved by Mr. Ross to adopt. Motion carried: 7-0-0-0

Date: September 7, 2010

Resolution Number: Airport Board A10-167

Action: Recommend Approval of the Office of Energy Independence Grant for \$783,333.00 (BC 10-0904) Moved by Mr. Ross to adopt. Motion carried: 6-0-0-1

Date: June 1, 2010

Resolution Number: Airport Board A10 -103

Action: Approve a Comprehensive Facility Management Planning Analysis Agreement with Energy Services Group (BC 10-0605) Moved by Mr. Cupp to adopt. Motion carried: 6-0-0-1

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Airport Board will be asked to approve a construction bid to complete upgrades to the cooling system once that portion of the project is bid.

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