

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 29, 2011
	Agenda Item No. 40 Roll Call No. <u>11-1466</u> Communication No. <u>11-572</u> Submitted by: Don Smithey, Aviation Director

AGENDA HEADING:

Approve Amendment No.2 to the Office of Energy Independence (OEI) State Program Grant.

SYNOPSIS:

Approve Amendment No.2 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.

FISCAL IMPACT:

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 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.

A revised engineering estimate for the probable cooling costs increased from the original bid estimate. To meet the project budget, the scope of work needs to be reduced again by eliminating one air handling unit from the scope. OEI has determined the reduced work in the cooling phase still meets their criteria for energy efficiency and qualifies as grant eligible. The new scope of work will now include:

- 1) Replacing Air Handling Unit G
- 2) Replacing VVT boxes tied into MZ-4 and MZ-5
- 3) Recalibrate CO2 sensor for AHU-3

To memorialize this change in the scope of work, an amendment to the original grant is required. The original grant was approved by the City Council; therefore, Amendment No. 2 must also be approved by the City Council.

PREVIOUS COUNCIL ACTION(S):

Date: May 9, 2011

Roll Call No: 11-802

Action: [Amendment](#) No. 1 to State Energy Program Grant Sub-Recipient Contract changing the scope of work on the HVAC system at the Des Moines International Airport by reducing the cooling phase. ([Council Communication No. 11-277](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

Date: September 13, 2010

Roll Call No: 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: August 9, 2011

Resolution Number: Airport Board A11-140

Action: Recommend Approval of Amendment No. 2 to the Scope of Work in the Office of Energy Independence Grant Moved by Mr. Brooks to adopt. Motion carried: 7-0-0-0
Yeas: Brooks, Cupp, Erickson, Gentry, Hansell, Ross and Ward. Nays: 0 Abstained: 0 Absent: 0

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
Yeas: Brooks, Erickson, Hansell, Ross and Ward. Nays: 0 Abstained: 0 Absent: Cupp and Gentry

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 Yeas: Brooks, Cupp, Erickson, Gentry, Hansell, Ross and Ward. Nays: 0 Abstained: 0 Absent: 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
Yeas: Cupp, Erickson, Gentry, Hansell, Ross and Ward. Nays: 0
Abstained: 0 Absent: Brooks

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 Yeas: Brooks, Cupp, Erickson, Hansell, Ross, and Ward. Nays: 0 Abstained: 0 Absent: Gentry

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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