



Legislation Text

File #: 18-0793R, **Version:** 1

RESOLUTION AUTHORIZING A CHANGE ORDER TO CONTRACT L30113 WITH PIONEER POWER, INC., FOR THE INSTALLATION OF TWO TEMPORARY STEAM TO HOT WATER ENERGY TRANSFER STATIONS, FOR AN INCREASE OF \$225,459 AND A NEW TOTAL CONTRACT AMOUNT NOT TO EXCEED \$1,057,459.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to amend contract L30113, with Pioneer Power, Inc. for the installation of temporary steam to hot water energy transfer stations for the district energy system conversion project. The original contract amount was \$832,000. The increase of \$225,459 results in a new total contract amount not to exceed \$1,057,459, payable from fund 540-920-1499-5530 (steam; steam department; steam non-operating; improvements other than buildings).

STATEMENT OF PURPOSE: This resolution authorizes an increase to the contract with Pioneer Power, Inc., for the installation of temporary steam to hot water energy transfer stations for a new contract total not to exceed of \$1,057,459.

The original scope of work was for Pioneer Power to provide two pre-built temporary transfer stations in shipping containers, which would provide district hot water to the Superior Street Phase 1 and Phase 2 customers until the hot water conversion project was completed. Difficulties associated with connecting to all the infrastructure services in Phase 1 prompted Duluth Energy Systems to negotiate with CenturyLink for one of the units to be erected on-site within the CenturyLink mechanical room. Once negotiations were successfully completed, the unit was redesigned to incorporate additional efficiencies, including the addition of condensate coolers to recoup additional heat and lower the temperature of the condensate prior to discharging it into the storm sewer. This change in scope was previously executed and included the additional cost for equipment (condensate coolers, support structure for heat exchangers and coolers, all associated piping, additional controls, and electrical material) and mechanical and electrical labor for installation.

This final change order covers equipment that is now required because the floor drains were not able to handle the full discharge of condensate and quench water when the system runs at full load, and because the plant boiler operators required a manual means of operating the condensate cooler receivers in case of an electronic gauge failure. These additions to the original scope provide a system that is more cost efficient operationally and safer to the public because it is now fully contained in a customer's building.

The costs for this change order will be coming from the MN DEED bonding money that the city received for the steam to hot water conversion project.