



Legislation Text

File #: 19-0136R, **Version:** 1

RESOLUTION AUTHORIZING AN INCREASE TO PURCHASE ORDER 2018-00000093 TO LOGSTOR FOR PRE-INSULATED PIPE, FITTINGS, VALVES AND ACCESSORIES FOR SUPERIOR STREET PHASE 1 AND 2 IN THE AMOUNT OF \$166,282.33 AND A NEW TOTAL AMOUNT OF \$656,261.86.

CITY PROPOSAL:

RESOLVED, that the proper city officials are authorized to increase purchase order 2018-00000093 to Logstor for the pre-insulated pipe, fittings, valves and accessories for Superior Street hot water project phase 1 and 2. The original order amount was \$489,979.53. The increase of \$166,282.33 results in a new total order amount of \$656,261.86, 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 purchase order to Logstor for pre-insulated pipe, fittings, valves and accessories for phase 1 and 2 of the Superior Street hot water project.

The following changes in scope to phase 1 and 2 of the Superior Street hot water project have resulted in an increase to the original bid for the hot water piping and other accessories:

- The phase 1 temporary energy transfer station was relocated from the Phoenix parking lot to the mechanical room of the CenturyLink building. This resulted in an increase of material required to make this connection farther up 4th Avenue West. This change provided better security and an increase in efficiency for this system.
- Off-site pre-fabrication of a majority of the service laterals for the phase 1 customers increased the number of joints from the original engineering estimate. The result of this pre-fabrication was an increase in the number of accessories required to insulate and cover these additional joints. The pre-fabrication of these service laterals was critical to keeping the overall schedule of the project on track.
- A change in the phase 1 service lateral tees was required to address constructability issues.
- Phase 2 main supply and return lines were re-sized to accommodate the additional load the new Essentia Northstar project will demand from the system.
- The current steel tariff enacted by the United States government increased the cost of the additional phase 2 material by 25%.
- Rental of Logstor's Weldmaster machine is required to fabricate the insulating joint for each weld joint on the Logstor piping system.

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.