



**Request for City Council Committee Action
From the Department of Finance and Property Services**

Date: May 14, 2012

To: Honorable Elizabeth Glidden, Regulatory, Energy, and Environment Committee

Referral: Honorable Betsy Hodges, Chair Ways & Means Committee

Subject: **Amendment No. 1 – Innovative Power Systems, Inc.
Fire Stations No. 1 and No.19 Solar Thermal Installations**

Recommendation:

That the proper City officers be authorized to execute Change Order No. 1 to Contract No. C-33006 with Innovative Power Systems. The total amount of Change Order No. 1 is \$8,181.80. Therefore, the current contract amount of \$57,825 would be increased for a revised contract amount of \$66,006.80. The original Project Budget (Fund 01300 Department 8201600 Project Number G3680EICFS1) is adequate for Change Order No. 1; therefore no additional appropriation is required.

Previous Directives:

- May 23, 2011: City Council and Mayor granted approval of bids for OP #7421, low responsive bid of Innovative Power Systems, Inc. in the amount of \$57,825.00
- August 6, 2010: Agreement to accept the \$1.35 million grant from the Minnesota Office of Energy Security for solar installations.

Prepared by: Brian Millberg, Energy Manager 673-3024

Approved by:

Kevin Carpenter, Chief Financial Officer, Finance and Property Services

Jayne Khalifa, City Coordinator

Presenters: Brian Millberg, Energy Manager, Finance and Property Services

Reviews

Permanent Review Committee (PRC): Approval NA Date _____

Civil Rights Approval Approval YES Date _____

Policy Review Group (PRG): Approval NA Date _____

Financial Impact

No financial impact

Community Impact

Neighborhood Notification:

City Goals: Eco-Focused, Jobs and Economic Vitality

Comprehensive Plan:

Zoning Code:

Background/Supporting Information

In May of 2011, the City Council and Mayor awarded the bid for the installation of solar thermal hot water systems at Fire Stations No.1 and No.19 to Innovative Power Systems for the amount of \$57,825.00. The Construction project began in December of 2011 and was completed in April 2012.

Change Order #1

Change Order #1 consists of miscellaneous building and site items. The majority of the change order amount is due to unforeseen roof structural issues that became apparent during construction. These required extra labor for welding and re-roofing the roof section where the solar panels were attached to the roof. Minor changes were required to resolve two errors on the original plumbing specifications that were sent out with the original bid documents. This will also be the final change order to Innovative Power Systems, Inc., as project is completed.

Therefore, we are requesting that the current contract with Innovative Power Systems be increased by a total of \$8,181.80 for a revised contract amount of \$66,006.80 to provide for Change Order No. 1. The construction contingency provided as part of the original Project Budget (Fund 01300 Department 8201600 Project Number G3680EICFS1) is adequate for Change Order No. 1; therefore no additional appropriation is required.