



Request for City Council Committee Action From the Department of Public Works

Date: November 17, 2005

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Referral to: Honorable Barbara Johnson, Chair Ways & Means/Budget Committee

Subject: **RFP for the Engineering Services for Electrical Generators at the Fridley Water Facility**

Recommendation:

Authorize distribution of a Request For Proposals for the Engineering Services required to design, procure and install diesel-fueled, with possible alternative fuel usage, electrical generation equipment at the Fridley water facility. Engineering Services to be performed include: a) pre-design, b) design, c) development of contract documents, d) inspection, and e) start-up. Funds are available in the 2006 project budget (Water 7400/950).

Previous Directives:

- No Previous Directives.

Prepared by: Charles Huske, P.E., Senior Professional Engineer, 661-4901

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Shahin Rezania, P.E., Interim Director of Water Division

Financial Impact (Check those that apply)

No financial impact - or - Action is within current department budget.
(If checked, go directly to Background/Supporting Information)

Action requires an appropriation increase to the Capital Budget

Action requires an appropriation increase to the Operating Budget

Action provides increased revenue for appropriation increase

Action requires use of contingency or reserves

Other financial impact (Explain):

Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information:

The Public Works Department has concerns about the ability to produce and distribute water if the electrical power to the Fridley water facility would be disrupted. Public Works plans to investigate and, if demonstrated as a sound project, proceed with a project to design, procure and install electrical generation equipment at the Fridley water facility. Funding for the generator project is included in the Mayor's 2006 budget. This

project will not impact water rates as projected in the current *pro forma*. The design of the system would be based on using the power developed from these generators to allow production and distribution of clean water to continue at a minimum rate of 60 million gallons per day.

The project would also provide the ability to operate the generators to displace electricity from Xcel Energy in the event that Xcel is under a heavy demand for electricity. This ability to peak shave will be incorporated into the contract with Xcel and will result in reduced rates for electrical energy and cost savings. This project will have an estimated cost of \$2.5 million, in addition to estimated design costs of \$275,000. We expect the described electric cost savings to result in a project payback of approximately 15 years.

Prior to starting the construction on the project, Public Works will need to acquire an air quality permit from the Minnesota Pollution Control Agency that takes emissions into account.

Current Request

Public Works wishes to solicit proposals for engineering services. The requested engineering duties are those required to allow for the design, specification, procurement, construction and startup of generators at the Public Works Fridley water facility.

The RFP will follow the normal City review process, including review by the Permanent Review Committee. We will return for authorization to negotiate and execute a contract with the selected consultant. After the design is completed, purchase and installation of the generators would follow the normal City bid and approval process, and funding is available in the Mayor's proposed 2006 budget.