



## Agenda Statement

**File #:** 19-0004      **Version:** 1  
**Type:** New Business      **Status:** Passed  
**File created:** 12/21/2018      **In control:** City Council  
**On agenda:** 1/2/2019      **Final action:** 1/2/2019  
**Title:** Approval of Contract with Wolverine Supply, Inc. for School Administration Building HVAC and Boiler Upgrades in the Amount of \$361,000.00.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. School Administration Building HVAC Upgrades - Contract Body, 2. School Administration Building HVAC Upgrades - Bid Summary

Date	Ver.	Action By	Action	Result
1/2/2019	1	City Council	approved	Pass

### **ITEM TITLE:**

Approval of Contract with Wolverine Supply, Inc. for School Administration Building HVAC and Boiler Upgrades in the Amount of \$361,000.00.

**SUBMITTED BY:** Scott Benda, Capital Facilities Project Manager

### **FISCAL NOTES:**

Expenditure Required: \$361,000.00

Unencumbered Balance: \$662,794.96

Funding Source: 350-0310-55000.1812 School Admin water damage abatement

### **RECOMMENDATION:**

Approve a Contract with Wolverine Supply, Inc. for School Administration Building HVAC and Boiler Upgrades in the Amount of \$361,000.00.

### **SUMMARY STATEMENT:**

In May 2018 the School District office suffered a failure in a weld on a pressure vessel that resulted in a flooded building and significant damage to the boiler system. Clark Contracting DBA ServPro was contracted by recommendation of the insurance carrier to perform remediation and restoration services. The remediation and remodel is complete and the boiler system is temporarily running on a trailer mounted system. The attached contract is for a project to permanently replace the damaged boiler, replace an existing failed boiler, and update/upgrade the HVAC system to work in concert with the current DDC control system district wide.

The City solicited bids and Wolverine Supply was the low bid for base bid and Alt. 1. Capital Facilities recommends performing both the base bid and the alternate for the updated HVAC due to the fact

that parts for the old pneumatic system are obsolete and with limited availability, for continuity of systems district wide, increased efficiency, and increased lifespan of the system. The HVAC system was on the list of future school projects and the opportunity to complete now in conjunction with the loss makes sense. Additionally, by taking proactive measures to upgrade the systems the City can avoid some negative effect on insurance premiums into the future following the claim.

Relative to a "total project cost" the City was responsible for a \$100k deductible and has carried the cost for the remediation and repairs that will be reimbursed by insurance. The carrier has acknowledged most of the loss at the boiler room and negotiations are ongoing. The HVAC controls upgrades, Bid Alt, are not covered by insurance.

Expenses to date:

**Deductible:** \$100,000 - Paid to ServPro (Subrogation recoverable)

**Remediation & Restoration:** ServPro- \$457,711.81 (Anticipated fully covered by insurance)

**Temp Boiler:** Valley Mechanical: \$30,760 Plus \$1500/month boiler rental (Anticipated fully covered by insurance)

**Computer/Personal Property Damages** - approx. \$45,000 (Anticipated fully covered by insurance)

**Boiler Replacement Engineering:** RSA Engineering Inc. \$36,836 (Coverage to be negotiated with insurance)

**Boiler Room Repairs:** Insurance ROM estimate \$47,788 (Coverage to be negotiated with insurance)

**CoV Project Management:** Cost TBD (Coverage to be negotiated with insurance)