

May 20, 2010

10-096

ACCEPT BID/AWARD THE CONTRACT FOR THE
PURCHASE OF NEW BOILERS FOR SYLVANIA
CAMPUS TO PROCTOR SALES, INC.

PREPARED BY: Avelina Gulmatico, Bond Procurement

FINANCIAL
RESPONSIBILITY: Tim Donahue, Director, Facilities Management Services

APPROVED BY: Wing-Kit Chung, Vice President, Administrative Services
Dr. Preston Pulliams, District President

REPORT: Existing boilers at Sylvania Campus need to be replaced. The boilers are forty-plus (40+) years old and have reached the end of their useful life. Both large boilers have failed. One is leaking and the boiler inspectors will not permit it to be operated in the future. Facility Management Services (FMS) intended to operate the boilers until more engineering and design work in the bond program plan for Sylvania could be completed regarding the path forward under the E6 Net Zero and the Climate Action Plan. However, the boilers could not be maintained long enough for the engineering analysis to be completed.

In preparation for the fall heating season a temporary boiler was recently installed to provide heating capacity until new boilers can be purchased, their installation engineered, completion of deconstruction of existing boilers, and a fuel remediation plan developed this summer. Three technologies being considered for the replacement of the existing boilers:

- a. Fire tube hot water boilers
- b. Flexible tube hot water boilers
- c. Modular condensing hot water boilers

Each technology alternative provides a different combination of energy efficiency, capital cost, longevity, maintenance requirements, and redundancy.

The College hired engineering consultants (GBD/GLUMAC) for the design and to provide analysis to determine the best total cost of ownership given equipment costs, capacity, longevity, efficiency, natural gas usage and backup fuel source. This project also aligns with E6 Net Zero and the Climate Action Plan. The estimated cost of the project exceeds the formal solicitation threshold and required formal solicitation process.

On April 16, 2010, the Invitation to Bid (ITB) was advertised on the Daily Journal of Commerce, State of Oregon ORPIN Vendor System, and the ITB document was accessible by registering on the PCC Purchasing website. A total of twenty-two (22) vendors (two of which are registered as MWESB) and five (5) plan centers (one of which is also registered as MWESB). The bid responses were due at 2:00 P.M., May 3, 2010. Below is a list of bids received within the deadline:

| | Cole Industries | Columbia Hydronics | Proctor Sales |
|---------------------------------------|-----------------|--------------------|--|
| Alternate 1: Fire Tube Boilers | \$386,394 | No bid | \$282,446 |
| Alternate 2: Flexible Tube Boilers | \$380,000 | \$361,348 | \$298,825 |
| Alternate 3: Condensing Boilers | \$605,000 | \$622,548 | \$527,872 = (12/each @ \$43,989.33) |

Note: No MWESB vendors available

All bids were reviewed by GLUMAC (engineering consultant) together with College staff to determine the best value. This process included, but not limited to, assessment of performance factors and other aspects of service and product quality, as well as pricing, and total cost of ownership. It will take approximately six (6) weeks for delivery from the time the order is placed. Following order placement the College will issue a formal solicitation process to select the successful bidder to deconstruct and install the new boilers.

Time is of the essence for this project as it is critical to have the new boilers installed and running before the

colder weather season to avoid any possible interruption of the student's classes or the staff's work environment.

After careful review of the analysis, the recommendation is to select the bid from Proctor Sales, Inc. and purchase the condensing boilers (Alternate 3) based on the following reasons: scalability, it gives the College flexibility to expand or add more boilers to meet the future needs; efficiency, it uses less energy and aligns with the College's E6 strategies, and overall lowest cost over the life cycle analysis. The College will purchase eight (8) condensing boilers, instead of twelve (12) as originally planned, with total order of \$351,914.64. The solicitation process for the deconstruction and installation work will be issued later part of May 2010 and the award recommendation will be brought to the Board of Directors for approval at a later date.

RECOMMENDATION: That the Board of Directors accept the bid and award the contract to Proctor Sales, Inc., for the of purchase eight (8) condensing boilers, as related to the Sylvania Campus Boiler Replacement project. The contract will be for an estimated total of \$352,000, valid through December 31, 2010. Funding will be from Stimulus Funds and Capital Funds, and potentially the Energy Trust of Oregon.