

Tiffany Rank

From: Davis, Mike [Mike.Davis@strand.com]
Sent: Wednesday, February 06, 2013 2:02 PM
To: Tiffany Rank
Subject: LFUCG WH Zone 1 Blowers - Smith Contractors Proposal

Tiffany,

Following is a discussion of advantages that new ABS blowers for Zone 1 have compared to the refurbished Lampson blowers.

1. Increased energy efficiency.

After bids were opened last year we did a quick cost evaluation to determine the power savings if new ABS blowers were installed instead of the refurbished Lampson blowers. We determined the power savings at \$56,400 per year (at \$0.05/KW-Hr) for the ABS blower over the rebuilt Lampson blowers. We estimated the payback in cost savings is between 9 and 11 years depending on how quickly electrical costs increase. Based on a \$478,000 increased cost for the ABS blowers, the straight-line payback if electrical costs do not increase is about 11 years (at 5% discount rate). Payback is 9 years with 5% discount rate and 3% annual increase in power cost. The payback is faster if electrical prices escalate more quickly.

2. Longer warranty.

The new ABS blowers have a five year warranty. The rebuilt Lampson blowers have a one year warranty.

3. The new blowers are all new equipment.

The Lampson blowers will be factory refurbished. This includes new impellers, shafts, seals and repainting. The new impellers are not the same as existing – they are selected to match the new operating conditions. However, the Lampson blowers will reuse the existing 4,000 volt motors and existing control panels. These items are in reasonably good condition and expected to provide good service, but they are not new.

The new ABS blowers would include new equipment and control panels.

Let me know if you need any other information to evaluate Smith Contractor's proposal.

Thanks.

Mike.

SMITH CONTRACTORS, INC.

*P.O. Box 480
1241 Bypass North
Lawrenceburg, Kentucky 40342*

*502-839-4196
502-839-8348 -- Fax #*

January 23, 2013

Strand Associates, Inc.
1525 Bull Lea Road
Suite 100
Lexington, KY 40511

Re: Town Branch & West Hickman
Creek WWTP
Lexington, KY

Attention: Mike Davis, P.E.

Our revised price for Alternate B-3 is as follows:

LUMP SUM \$645,000.00

Keep in mind if B-3 is accepted then Division A Base Bid Zone 1 Aeration Blower Improvements amount of \$167,000.00 will be eliminated from the contract. So the total add for the two (2) new blowers will be:

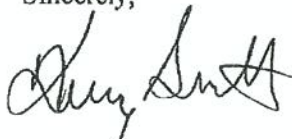
	\$645,000.00
	<u>(167,000.00)</u>
<i>Total Add</i>	<i>\$478,000.00</i>

LFUCG would be able to receive alarm signals from these blowers but would still operate and adjust manually using the HMI.

We could not offer any reduction of days to complete this project.

If you have any questions or comments regarding this price, please contact our office.

Sincerely,



Kerry Smith
President

KAS;vsg

CONTRACT HISTORY FORM

Contractor: Smith Contractors, Inc

Project Name: Town Branch and West Hickman Wastewater Treatment Plant
Electrical, SCADA, Blower/Aeration and Pump Station Improvements


Contract Number and Date: 566-2012 October 25, 2012

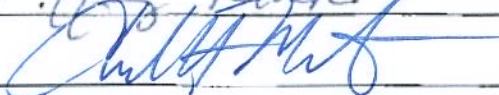
Responsible LFUCG Division: Water Quality

CHANGE ORDER DETAILS

Summary of Previous Change Orders to Date:	<u>Dollar Amount</u>	<u>Percent Change to Original Contract</u>
A. Original Contract Amount:	<u>\$13,442,723.00</u>	<u>0%</u> <small>Line B/Line A</small>
B. Previous Change Order Total:	<u>\$0.00</u>	
C. Current Contract Amount:	<u>\$13,442,723.00</u>	
D. Amount of this Change Order:	<u>\$478,000.00</u>	<u>4%</u> <small>Line D/Line A</small>
E. New Contract Amount:	<u>\$13,920,723.00</u>	<u>104%</u> <small>Line E/Line A</small>

SIGNATURE LINES

REVIEWED BY:  DATE: 6/5/13

DIVISION DIRECTOR:  DATE: 6/10/13

Change Order No. 1
Resolution # 566-2012
Town Branch and West Hickman Wastewater Treatment Plant
Electrical, SCADA, Blower/Aeration and Pump Stations Improvements

Lexington-Fayette Urban County Government
Lexington, Kentucky

OWNER: Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507

CONTRACTOR: Smith Contractors, Inc
PO Box 480
Lawrenceburg, KY 40342

SUMMARY OF INFORMATION

Date of Change Order:	May 14, 2013
Date of Contract:	October 25, 2012
Date of Notice to Proceed:	January 2, 2013
Official Start Date:	January 2, 2013
Length of Contract (calendar days):	600
Date of Contract Completion (final completion date):	August 25, 2014
Previous Change in Contract Time (calendar days):	0
Change in Contract Date:	0
Change in Contract Time in CO #1 (calendar days):	
Revised Contract Date (final completion date):	
Original Contract Amount:	\$13,442,723.00
Previous Change Order Total:	\$0.00
Current Contract Amount:	\$13,442,723.00
Change Order (1) Amount:	\$478,000.00
Revised Contract Amount:	\$13,920,723.00
Percent Change from Original:	4%

Review attached information for **General Description**

Summary of Information.xls Nov-08


SIGNATURES TO CHANGE ORDER

Change Order #1 Amount - \$478,000.00

DATE: 6-6-13

ACCEPTED:

Contractor's Name
Smith Contractors, Inc.

BY: 
Kerry Smith, President

DATE: 6/6/13

RECOMMENDED:


Lexington-Fayette Urban County Government

BY: 
Tiffany Rank, PE, Project Manager
Division of Water Quality

DATE: 6/10/13

REVIEWED:

Lexington-Fayette Urban County Government

BY: 
Charles H. Martin, PE - Director
Division of Water Quality

DATE: _____

APPROVED:

Lexington-Fayette Urban County Government

BY: _____
Jim Gray - Mayor