



TO: Board of Directors
FROM: Ruth Floyd – Executive Director of Business Services
SUBJECT: Phase 9 – CES & PSMS Boiler Replacement Project Approval – McKinstry Essention, LLC
DATE: May 16, 2023
TYPE: Action Needed

The District has two (2) boilers at Cedarhome Elementary School and three (3) boilers at Port Susan Middle School. All have well exceeded their useful life span and require increased maintenance; they should be replaced before the weather starts getting cold in the fall. It is our hope to have this project completed by September 29, 2023, depending on product availability. Currently, the lead time on KN boilers is 20-25 weeks (early/mid-September 2023).

Maintenance and Capital Projects have worked with McKinstry Essention, LLC in the past on several boiler replacement projects in our schools. We recommend utilizing their expertise and services for the boilers at CES and PSMS. Pursuant to RCW 39.35C.050, the first step is for McKinstry to conduct a *Directed Engineering Study* at the facilities and then, using a statewide contract through OMNIA (formerly US Communities), develop a comprehensive *Energy Services Proposal*. Funding for these projects will come from the state match funds in the Capital Projects Fund. The estimated cost for the five (5) new KN boilers is \$835,304.00 (WSST included), which is \$100,779.00 over budget, but reasonable given the escalation in costs over the past two years. McKinstry is working with Cascade Natural Gas in receiving an energy savings rebate of approximately \$80,000.00, offsetting most of the overage. Any remaining overages will come out of state match funds.

The state will soon require that all boilers be electric when replacing more than one boiler within a two-year timeframe. Electric boilers would require more upfront costs to transition system components, and they have not been as thoroughly tested as gas boilers over decades of use. Therefore, staff recommend replacing the boilers at Cedarhome Elementary and Port Susan Middle with KN gas boilers.

Recommendation:

We recommend the **board move to authorize the execution of a purchase order with McKinstry Essention, LLC, for Phase 9 – CES & PSMS Boiler Replacements, in the amount of \$835,304.00, for five (5) KN boilers.**



Stanwood Camano SD Cedarhome & Port Susan Boilers Memo

BACKGROUND

Stanwood-Camano SD is upgrading its existing boilers at Cedarhome Elementary and Port Susan MS. The existing boilers at each facility are beyond their useful life and need to be replaced.

COMPLETED TO DATE

Per coordination with the district and as part of the audit process McK has completed a high-level evaluation of several options to replace the existing units. The following has been completed to date:

- Evaluation of existing drawings,
- Site Visits to determine high level replacement scopes (options)
- Equipment Supplier and Subcontractor outreach.
- High level options budgeting
- Coordination with the local utility on potential rebates for the projects.

HIGH LEVEL BUDGET

Attached is a high-level budget sheet for the project. The project scope included is as follows:

1. Replacement of the (5) existing boilers with high efficiency KN Boilers. Life Expectancy of these boilers is approx. 30 years. (This is a longer life expectancy than the existing boilers).
2. Replacement of existing boiler pumps.
3. Replacement of existing boiler flues with double wall flues.
4. Modification of existing house-pads to accommodate the new boilers.

PROJECT BENEFITS

The project will provide the following benefits to Stanwood-Camano SD:

1. Replace existing boilers that are at the end of their life.
2. Provide infrastructure that is anticipated to last 30-years.
3. Continue the standardization process already begun at the district i.e. on KN boilers as source of heating hot water.
4. Provide a solution that is familiar to the district and low in annual maintenance costs.
5. Qualify for an \$80K rebate from the local utility.

PROPOSED NEXT STEPS

Complete the audit and pre-design effort so that the project guarantees can be developed and the project executed over the Summer break.

High Level Budget Summary



Project Scenario: Stanwood-Camano School District Ph 9
 Date: 5/10/2023

Database ID	FIM Name	Mechanical	Electrical	EMCS	Lighting	General	Equipment	Other	Total
50684	01.01-CHE Replace Boilers with KN	\$ 146,277	\$ -	\$ 3,700	\$ -	\$ -	\$ 82,071	\$ -	\$ 232,048
50685	01.01-PSM Replace Boilers with KN	\$ 198,716	\$ -	\$ 3,700	\$ -	\$ -	\$ 119,191	\$ -	\$ 321,607
Total Base FIM Cost		\$ 344,993	\$ -	\$ 7,400	\$ -	\$ -	\$ 201,262	\$ -	\$ 553,655

A. Construction Costs					
Allowance	Lump	\$0			\$ -
<i>Subtotal(FIM Cost and A)</i>					\$ 553,655
Construction Bonds	%	1.10%	Percent of Subtotal (FIM Cost and A)		\$ 6,090
Total Construction Cost					\$ 559,745

B. Professional Services Costs					
Audit Fee	Lump	\$14,415			\$ 14,415
Design	%	5.00%	Percent of Total Base FIM Cost		\$ 27,683
Const. Management & Proj. Admin	%	8.00%	Percent of Total Base FIM Cost		\$ 44,292
Total Professional Services Cost					\$ 86,390

C. Other Project Costs					
Project Contingency	%	2.50%	Percent of Total Base FIM Cost		\$ 13,841
Apprenticeship Incentive	Lump	\$0	WA State Apprenticeship Requirement for Projects with Construction Cost >= \$1M		\$ -
Performance Assurance (M&V)	Lump	\$3,500			\$ 3,500
Total Other Project Cost					\$ 17,341

D. Overhead Costs & Fees					
Overhead	%	10.00%	Percent of Total Construction Cost		\$ 55,975
Profit (Fee)	%	8.00%	Percent of Total Construction Cost		\$ 44,780
Total Overhead Cost & Fee					\$ 100,755

E. Total Construction & ESCO Services (A + B + C + D)					\$ 764,231
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F. Other Costs					
Sales Tax	%	9.30%	Percent of Section E		\$ 71,073
Total Non-Guaranteed Cost					\$ 71,073

G. Total Project Budget (E + F)					\$ 835,304
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H. Anticipated Utility Rebate					\$ 80,000
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I. Net Project Budget					\$ 755,304
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