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Mary E. Moran, Superintendent Robert S. Bliss, Assistant Superintendent Peter P. Amons, Chief Financial Officer Eloise S. McGarry, Director of Support Services

Date: July 31, 2014

To: Mary Moran, Superintendent From: Peter Amons, CFO mm/

Subject: School Board meeting of August 5, 2014.

Due to various construction and repair projects, we need approval for the items below before the first regularly scheduled meeting of FY15 on Tuesday August 26.

Recommendation:

That the Rutland City Board of School Commissioners approves the issuance of a wood pellet purchase contract to Sandri Inc. for three years at the delivered tonnage prices of \$234.99 for FY15, \$239.99 for FY16, and \$244.99 for FY17.

Sandri Inc. was the low bidder of a three year contract proposal for wood pellets. The purposes of the 3 year length instead of a one year contract are (1) to guaranty an uninterrupted annual supply in case of pellet shortages; (2) to fix in a market cost expected to increase by 6% annually; and (3) to make the business arrangement more desirable for bidders to deliver pellets into Vermont. Currently there are no VT producers or suppliers certified to provide the quality level of pellets required. It is likely that RPS will be the largest VT buyer of high quality wood pellets. John Rice's bid summary is attached.

Recommendation:

That the Rutland City Board of School Commissioners approves charging the FY15 contingency account \$27,500 for the purchase of a new replacement air conditioning system for the RHS cafeteria.

The current 17 year old AC system needs two new compressors which would cost \$10,000. John advises it is better to replace the entire unit due to its age. See John's memo attached for more details.

Recommendation:

That the Rutland City Board of School Commissioners approves awarding a contract to Vermont Mechanical for \$78,320 for air conditioning at the RHS library and to Temperature Controls of Vermont for \$5,747 for related digital AC controls.

These are part of the \$2.5 million deferred maintenance project approved by the board and public vote. There will be more of these vendor selection votes in the future on a wide variety of purchases.

July 16, 2014

Peter Amons Chief Financial Officer

Subject: Bid Award Recommendation, Wood Pellet Fuel Supply

Peter,

We identified twelve firms with either wood pellet manufacturing or delivery capability or both within driving range of Rutland, Vermont. The RFP requested bids for up to three years of supply. By the noticed closing time three bids were received. See the attached bid documents and related evaluation by Innovative Natural Resource Solutions.

Firm	2014-2014	2015-2016	2016-2017
	\$/ton delivered	\$/ton delivered	\$/ton delivered
Lyme Green Heat	243.00	No bid	No bid
Sandri Energy	234.99	239.99	244.99
Vincent's Heating	247.00	257.00	267.00

All bidding firms noted that they would be purchasing wood pellets from New England Wood Pellets which is enrolled in the Pellet Fuels Institute Standards Program to assure fuel quality. The pellets meet the quality standards designated in the RFP.

Sandri Energy provided the lowest bid and three year pricing. They have an excellent reputation for customer service and experience with bulk pellet fuel deliveries. They also operate both 30 ton and 15 ton delivery trucks which is important for this supply contract.

Recommendation: Award the contract for bulk wood pellet supply to Sandri Energy for 2015-2017 at the quoted prices.

John Rice Director of Buildings and Grounds July 21, 2014

Peter Amons Chief Financial Officer

Subject: Contingency Recommendation, 2015 Budget, RHS Cafeteria A/C

Peter,

In late June we started the AC unit in the RHS cafeteria to support the summer Tapestry Program being held in the building. The unit failed after a short time and we called a contractor to evaluate and repair the unit. We discovered that both compressor units were completely worn and in need of replacement. The cost of replacement of these compressors is approximately \$10,000. The AC unit itself is 17 years old and not in good overall condition. We estimate that it will cost approximately \$27,500 to replace the whole unit.

These expenses are not included in the 2015 budget. This corrective action should be taken prior to the beginning of the 2015 school year.

Recommendation: I recommend that we immediately transfer \$27,500 from 2015 contingency to budget line 00-31-2642-57200-000, Building Improvement to purchase and install a replacement AC unit for the cafeteria.

John Rice Director of Buildings and Grounds July 21, 2014

Peter Amons Chief Financial Officer

Subject: Bid Award Recommendation, RHS Library Air Conditioning

Peter,

Five mechanical contractors were asked to bid on this project. We received 2 bids for the installation of a central air conditioning unit for the RHS Library. The funds for this project (\$95,000) were approved as a part of the Deferred Maintenance Bond Project.

Bidder Name	Bid Amount
Vermont Mechanical	\$78,320
Alliance Mechanical	\$85,800

Both contractors are qualified to perform this work. Vermont Mechanical was the low bidder.

Additionally we received a separate quote from Temperature Controls of Vermont in the amount of \$5,747 to provide the digital controls for the air conditioning unit. These controls are compatible with the existing controls in the high school.

Recommendation: Authorize the expenditure of \$84,067 for this project and award the contract for the installation of the air conditioning system to Vermont Mechanical for \$78,320.

John Rice Director of Buildings and Grounds