

62819

TO: Board of Acquisition and Contract

FROM: Hugh J. Greechan, Jr., P.E.
Commissioner of Public Works and Transportation

DATE: April 20, 2018

SUBJECT: Authorization to enter into a Customer Installation Commitment Agreement with the New York Power Authority for the Steam Distribution Pipe Replacement, Public Labs Building, Valhalla Campus, Valhalla, New York (Agreement No. 18-914)

The County of Westchester (the "County") purchases electricity for its own use from the Power Authority of the State of New York, also known as the New York Power Authority ("NYPA"). The Agreement under which the County purchases such electricity provides, among other things, that NYPA and the County will work in partnership to identify energy efficiency projects and clean energy technology projects at County facilities and will undertake such projects as are deemed economically feasible and agreeable to the parties. On May 29, 2008, your Honorable Board authorized the County to enter into an agreement with NYPA for the study, design and construction of Energy Efficiency and Clean Energy Projects at various County facilities for the period July 1, 2008 through June 30, 2013 (the "2008 EECEP Agreement"). On May 8, 2014, your Honorable Board authorized the County to enter into a new agreement with NYPA for the study, design and construction of Energy Efficiency and Clean Energy Projects at various County facilities for the period May 1, 2014 through April 30, 2019 (hereinafter the "2014 EECEP Agreement").

The County identified the Steam Distribution Pipe Replacement at the Public Labs Building located on the Valhalla Campus in Valhalla, New York as an energy efficiency project (the "Project"). Pursuant to the terms of the 2014 EECEP Agreement, if the County determines to proceed with the construction of any project and to retain NYPA's services in connection with the construction of any project, the County must enter into a separate Customer Installation Commitment Agreement with NYPA for each approved project (hereinafter the "CIC Agreement"). All CIC Agreements and their funding are subject to approval by your Honorable Board.

The County wishes to proceed with construction of the Project. Therefore, the County and NYPA must enter into a CIC Agreement in connection with the upgrades to the steam distribution pipe at Westchester County's Valhalla Campus. The services will include, but not be limited to, feasibility study, design, construction management, equipment procurement, installation, final commissioning of system, disposal of waste, and financing.

Board of Acquisition and Contract
Customer Installation Commitment Agreement No. 18-914
New York Power Authority
Steam Distribution Pipe Replacement
Public Labs Building
Valhalla Campus, Valhalla, New York
Page 2

NYPAs recommendations consist of replacing the existing steam delivery spur that provides energy to the Public Labs Building as well as Woodfield Cottage. The project also includes, but is not limited to, new autoclave units in the Labs Building; general asbestos abatement; condensate pipe replacement; and associated work. This work will be completed at a cost of \$14,115,000.00, which will be paid by the County upon completion of the construction over a period of ten (10) years with an associated financing cost of \$3,030,600.00, for a total amount not to exceed \$17,145,600.00. The estimated annual energy and maintenance savings resulting from this project is projected to be approximately \$755,280.00.

This CIC Agreement will reduce the Countys utility costs, improve energy efficiency, and help reduce the County-wide carbon footprint.

The Department of Public Works and Transportation will track scheduling and accomplishments by NYPAs and perform on-site inspections to ensure the successful completion of the Project.

This CIC Agreement is exempt from the procedures of the Procurement Policy under Section 3(a)(iii) of said policy.

Your approval of the attached Resolution is respectfully requested.

RESOLUTION

Upon communication from the Commissioner of Public Works and Transportation, be it hereby

RESOLVED, that the County of Westchester (the "County") has identified the steam distribution pipe replacement at the Public Labs Building located on the Valhalla Campus in Valhalla, New York and accordingly seeks to enter into a Customer Installation Commitment ("CIC") Agreement with the New York Power Authority ("NYPA") for this project. Under the terms of the CIC Agreement, NYPA will be responsible for a feasibility study, design, construction management, equipment procurement, installation, final commissioning of system, disposal of waste, and financing in connection with the Steam Distribution Pipe Replacement at the Public Labs Building located on the Valhalla Campus in Valhalla, New York; and be it further

RESOLVED, that the work will be completed at a cost of \$14,115,000.00, which will be paid by the County upon completion of construction over a period of ten (10) years with an associated financing cost of \$3,030,600.00, for a total amount not to exceed \$17,145,600.00. The cost of the project will be offset by the estimated annual energy and maintenance savings of approximately \$755,280.00; and be it further

RESOLVED, that this Agreement is subject to County appropriations; and be it further

RESOLVED, that this Agreement is also subject to further financial analysis of the impact of any New York State Budget (the "State Budget") proposed and adopted during the term of this Agreement. The County shall retain the right, upon the occurrence of any release by the Governor of a proposed State Budget and/or the adoption of a State Budget or any amendments thereto, and for a reasonable period of time after such release(s) or adoption(s), to conduct an analysis of the impacts of any such State Budget on County finances. After such analysis, the County shall retain the right to either terminate this Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Contractor, then the Contractor shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that the County Executive or his duly authorized designee is hereby authorized and empowered to execute any and all documents necessary or appropriate to effectuate the purposes hereof.

Agreement No. 18-914

Account to be Charged/Credited	Fund	Dept	Major Program, Program & Phase or Unit	Object/ Sub Object	Bond Act No.	Dollars
<i>For each of 10 years</i>	101	46	3400	3200	N/A	\$1,714,560.00/year
					Total:	\$17,145,600.00

Budget Funding Year(s): 2018-2028 Start Date: 04/20/18 End Date: 12/31/28
(must match resolution)

Funding Source: Tax Dollars: 100% County Contractor Federal I.D. No./ Social Security No.: _____
 State Aid: _____ Vendor No.: _____
\$17,145,600.00 Federal Aid: _____ Encumbrance No.: _____
(must match resolution) Other: _____