

**65802**

**TO:** Board of Acquisition and Contract

**FROM:** Hugh J. Greechan, Jr., PE  
Commissioner of Public Works and Transportation

**DATE:** October 30, 2018

**SUBJECT:** Authorization to enter into a Customer Installation Commitment Agreement with the New York Power Authority (NYPA) for the Natural Gas and Aeration System Upgrades (Phase II) and the Turbo Blower and Electrical System Upgrades (Phase III) at the Yonkers Joint Wastewater Treatment Plant, Yonkers, New York (Agreement No. 18-931)

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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 8, 2014 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 May 1, 2014 through April 30, 2019 ("EECEP Agreement"). The goal of this program is for the energy efficiency projects to result in sufficient energy savings that the projects will pay for themselves over a defined period of time.

NYPA conducted a feasibility study that identified the replacement of the existing engine-blowers with new cogeneration engine-generators; improvements and upgrades to the aeration system; installation of new turbo blowers; and the installation of a new high pressure gas main at the Yonkers Joint Wastewater Treatment Plant as an energy efficiency project. NYPA proceeded with design services (Phase I) to implement the recommendations of the feasibility study.

The County wishes to proceed with construction of the Natural Gas and Aeration System Upgrades (Phase II) and Turbo Blower and Electrical System Upgrades (Phase III). Therefore, the County and NYPA must enter into a Customer Installation Commitment ("CIC") Agreement in connection with these upgrades. The services will include, but not be limited to, feasibility study, design, construction management, equipment procurement, installation, disposal of waste, and financing.

NYPA's recommendations for the Natural Gas and Aeration System Upgrades (Phase II) and the Turbo Blower and Electrical System Upgrades (Phase III) consist of the installation of a new high-pressure gas main to connect to the existing anaerobic digester gas ("ADG") fueled engine generator and the secondary boilers; in situ cleaning of the existing fine bubble ceramic diffusers; upgrade of electric motor driven aeration compressors with new local control panels; removal of the existing blower and ancillary equipment for installation of five (5) new magnetic bearing turbo blowers; replacement of the existing

Board of Acquisition and Contract  
Agreement No. 19-531  
Natural Gas and Aeration System Upgrades (Phase II)  
Turbo Blower and Electrical System Upgrades (Phase III)  
Yonkers Joint Wastewater Treatment Plant, Yonkers, New York  
New York Power Authority  
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aeration control logic with a new master aeration control upgrades and improvements; installation of a new flood wall around the blower transformer yard; and associated work.

This work will be completed at a cost of \$25,939,875.00, which will be paid by the County by a combination of bond proceeds and energy savings over a period of ten (10) years with an associated NYPA financing cost of \$1,629,615.00, for a total not to exceed amount of \$27,569,490.00.

Future phases of this project will include the purchase and installation of the remaining two (2) ADG fueled engine generators at Yonkers Joint Wastewater Treatment Plant, Yonkers, New York.

The estimated annual energy and maintenance savings resulting from the entire project is projected to be approximately \$1,500,000.00.

This CIC Agreement will reduce the County's 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 NYPA and perform on-site inspections to ensure the successful completion of these two phases of the project.

This agreement is exempt from the procedures of the County 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 has identified the Natural Gas and Aeration System Upgrades (Phase II) and Turbo Blower and Electrical System Upgrades (Phase III) at the Yonkers Joint Wastewater Treatment Plant and accordingly seeks to enter into a Customer Installation Commitment (“CIC”) Agreement with the New York Power Authority (“NYPA”) for these phases of the Yonkers Joint Wastewater Treatment Plant Engine Replacement and Natural Gas Main Installation project. Under the terms of the CIC Agreement, NYPA will be responsible for a feasibility report, design, construction management, equipment procurement, installation, and financing in connection with these upgrades at the Yonkers Joint Wastewater Treatment Plant, and be it further

**RESOLVED**, that the work will be completed at a cost of \$25,939,875.00, which will be paid by the County by a combination of bond proceeds and energy savings over a period of ten (10) years with an associated NYPA financing cost of \$1,629,615.00, for a total not to exceed amount of \$27,569,490.00. The cost of the entire project will be offset by the estimated annual energy and maintenance savings of \$1,500,000.00; and be it further

**RESOLVED**, that the 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. 18-931

Account to be Charged/Credited	Fund	Dept	Major Program, Program & Phase or Unit	Object/ Sub Object	Bond Act No.	Dollars
10 years (\$907,000/yr)	324	60	SY03801C	6120-03	BA #56-2018	\$ 18,358,200.00
	221	60	0110	3200	N/A	9,211,290.00
	<b>Total:</b>					<b>\$ 27,569,490.00</b>

Budget Funding Year(s): 2018-2030 Start Date: 10/29/18 End Date: 12/31/30  
 (must match resolution)

Funding Source: Tax Dollars: 100% County Contractor Federal I.D. No./  
 State Aid: \_\_\_\_\_ Social Security No.: \_\_\_\_\_  
\$27,569,490.00 Federal Aid: \_\_\_\_\_ Vendor No.: \_\_\_\_\_  
 (must match resolution) Other: \_\_\_\_\_ Encumbrance No.: \_\_\_\_\_