

**ID#70096**

**TO:** Board of Acquisition and Contract

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

**DATE:** June 5, 2019

**SUBJECT:** Authorization to amend the 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)

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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 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 (The "Steam" Project) 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, on April 20, 2018 your Honorable Board authorized the County to proceed with this work and to retain NYPA's services in connection with the design and construction of the pipelines and related systems and components. All CIC Agreements and their funding are subject to approval by your Honorable Board.

The County wishes to proceed with certain necessary and vital additions to the scope of the Project ("Change Orders"). Therefore, the County and NYPA must modify the CIC Agreement in connection with the upgrades to the steam distribution pipe at Westchester County's Valhalla Campus. As per the original agreement, the Change Order 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 NYPA's original project consisted of replacing the existing steam delivery spur that provides energy to the Public Labs Building as well as Woodfield Cottage. The project also included, but was not limited to, new autoclave units in the Labs Building; general asbestos abatement; condensate pipe replacement; and associated work.

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

This work had an estimated 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. The amended project now has a projected maximum cost of \$21,237,812.88; an increase of \$7,122,812.88 which includes a modest 5% contingency of approximately \$1,000,000.00. Westchester County has already authorized a payment of \$10,000,000.00 to NYPA as financed through the issuance of bonds. We note that a \$120,000.00 grant from NYPA has also been incorporated into the total cost.

The additional work items, identified below, are primarily a matter of life/safety:

- Material and labor for temporary boilers to allow the Public Health & Labs and Woodfield Cottage to continue to function; despite a significant rupture of the aging steam feed line. This caused the cessation of steam from our Central Heating Plant ("CHP") to both buildings in September 2018. **Cost: \$1,921,127.31**
- Installation of stainless steel (corrosion resistant) valves to provide reliable control of the high pressure steam at nine (9) different locations. The original cast iron valves which had been in place only twenty (20) years failed to be operable when needed during the recent steam release event. **Cost to Purchase & Install All Valves: \$212,260.94**
- Steam volume and pressure metering at numerous locations to provide vital "real-time" data regarding the flow (and/or loss) of steam, condensate and hot water. These sensing devices will be connected to a control panel in the CHP Plant Operators Control Room. **Cost to Furnish & Install System: \$267,449.78**
- Repair of numerous live steam leaks in the utility tunnel piping. This includes replacement of the damaged insulation as well. **Cost: \$139,121.94**
- Emergency pipe repair in the Department of Corrections tunnel. The leaking steam also damaged a nearby electrical panel. **Cost: \$17,180.41**
- Numerous underground utility conflicts were discovered near the Public Labs & Health facility. These issues were not identified on any existing County maps and documentation. As a result, the steam line support piers needed to be relocated to avoid these utilities. The relocation requires additional excavation, custom field fabricated rebar, and new concrete form work. **Cost to Relocate These Piers: \$127,690.97**
- Re-Route of Steam Piping at Public Labs & Health which needs to be redesigned and re-routed due to the issues noted below. Please note that this work is still under development and a final design is expected to be complete by 4/15/2019.
  - i. During the site survey, the contractor conducted ground penetrating radar, opened manholes and potholed the project site to find any potential utility interferences. The contractor reported that there were many unmarked utilities that were identified during the survey and the excavating at these locations would prove to be costly and problematic. It was recommended that the route of the piping be revised to avoid these interferences.

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

- ii. As noted in CO #4, NYPA performed an emergency boiler installation to provide high pressure steam to Public Labs & Health. Due to the size of the equipment and limited space available, this equipment was placed at locations that caused interference to the new steam piping run specified in the base scope of the design. As a result, the routing needs to be redesigned to avoid this equipment.
- iii. The new route of the steam line will no longer loop around the parking lot. Instead, it will be located underground. The new layout was approved by NYPA, Westchester County and Wendel Engineering on 2/21/2019 and NYPA has provided a formal Authorization to proceed to Wendel Engineering to complete the design. The Contractor has provided a NOT TO EXCEED estimate based on the conceptual design provided by the Engineer of Record, Wendel, in order to obtain funding to proceed with exploratory work. The prices noted in this work includes excavation, dewatering, demolition, backfill, trenching, traffic management, concrete curbs, new asphalt, fencing, and all related site work. **Cost to Do this Work: \$1,078,634.08.**
- Underground Hot Water Piping to Woodfield – The above ground, high pressure steam piping branch serving Woodfield Cottage was eliminated and an underground hot water piping system is proposed instead. This will include new heat exchangers to be installed at PHL and new pumps, motors and starters located at Woodfield Cottage. The hot water system allows more precise heating control of the Woodfield Building, particularly since the capacity is sized for a significantly larger structure. This will permit an easy transition to the proposed building addition in several years. Further, the underground hot water installation provides environmental and road access benefits compared to the overland steam pipe. **Total Cost to Complete this Work: \$693,170.41.**
  - The previous items noted above, increased the value of the material and labor by \$4,556,685.84. As such, all related fees and associated Interest During Construction (IDC) costs need to be adjusted accordingly. The fee increases are noted below:

Wendel's Audit, Design & Construction Management Fee:	<b>\$706,286.31</b>
NYPA Project Management & Admin.:	<b>\$569,585.73</b>
Interest During Constructed:	<b>\$233,302.32</b>
  - Replenishment of Contingency – This line item replenishes the contingency of the project to account for any additional items that may be required to receive corrective action as part of the project. Please note that any use of contingency will require approval from Westchester County. Any unused contingency will be credited back to the project during closeout. **Total Contingency Added to this Project will be: \$939,876.09.**

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

This amendment to the 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 the Project.

This amendment to the 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 amend a Customer Installation Commitment ("Agreement") with the New York Power Authority ("NYPA") for this project. Under the terms of the 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 an additional cost of \$6,362,400, inclusive of associated interest costs, which will be paid by the County upon completion of construction over a period of ten (10) years; and be it further

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

RESOLVED, that this Amendment 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	\$636,240/year
					<b>Total:</b>	<b>\$6,362,400</b>

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.: \_\_\_\_\_  
 Federal Aid: \_\_\_\_\_  
 Encumbrance No.: \_\_\_\_\_  
 Other: \_\_\_\_\_

**Financing of Contract Total**

Account to be Charged/Credited	Fund	Dept	Major Program, Program & Phase or Unit	Object/ Sub Object	Bond Act No.	Dollars
	101	46	3400	3200	N/A	\$13,508,000
	346	46	B0100-01	6210	152-2018	\$10,000,000
					<b>Total:</b>	<b>\$23,508,000</b>