

24370

TO: Board of Acquisition and Contract

FROM: Jay T. Pisco, PE
Commissioner of Public Works and Transportation

DATE: January 23, 2012

SUBJECT: Authorization to enter into an Energy Efficiency Customer Installation Commitment Agreement with the New York Power Authority (NYPA) for the Renovation of the Yonkers Joint Wastewater Treatment Plant with an Anaerobic Digester Gas Fueled Engine Generator (Agreement No. 12-900)

The County of Westchester 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 electricity from NYPA 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 and design of energy efficiency and clean energy projects at various County facilities for the period July 1, 2008 through June 30, 2013. The project work may be performed through the services of qualified contractors or subcontractors, or NYPA may itself act as contractor. Pursuant to the terms of the "Energy Efficiency and Clean Energy Projects Agreement" and the authorization granted by your Honorable Board, if the County determines to proceed with the construction of any project and to retain NYPA's services in connection with the project, the County must enter into a separate Customer Installation Commitment ("CIC") agreement with NYPA for each approved project. The aforesaid CIC Agreements and their funding are subject to your Honorable Board's approval.

The County has identified the Yonkers Joint Wastewater Treatment Plant as a facility to be retrofitted with a 1,400 kW engine generator which will be fueled by excess digester gas and natural gas at the plant to generate on-site electricity. NYPA's recommendations consist of, but are not limited to, the installation of a 1,400 kW engine generator, the installation of new digester gas piping to feed the generator, the removal of the existing engine driven blower, and the installation of a siloxane removal system. For this project, NYPA will prepare a feasibility report and provide design, construction management, equipment procurement, installation, and financing services on behalf of the County. The work will be completed at a cost of \$9,988,429.00, which will be paid by the County upon completion of the construction over a period of fifteen (15) years with an associated financing cost of \$3,310,541.00, for a total not to exceed amount of \$13,298,970.00. The cost of the project will be offset by the estimated annual energy savings of \$1,018,324.00.

This agreement addresses the County Executive's priority areas of Health and Environment and Fiscal Responsibility. This project will utilize the excess digester gas, which is currently burned off, to fuel an engine generator to generate on-site electricity. This will make the plant more self sustaining and require less electricity to be drawn from the electric grid thus conserving energy and decreasing the burden to the tax payer.

The Department will track scheduling and accomplishments by NYPA and perform on-site inspections to ensure the successful completion of this project.

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

Board of Acquisition and Contract
Energy Efficiency Customer Installation Commitment
Anaerobic Digester Gas Fueled Engine
Yonkers Joint Wastewater Treatment Plant
Agreement No. 12-900

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Your approval of the attached resolution is respectfully requested.

APPROVED BOARD OF ACQUISITION & CONTRACT - 02/16/2012 - JOMARY VIEIRA, SECRETARY

RESOLUTION

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

RESOLVED, that the County is authorized to enter into a Customer Installation Commitment (“CIC”) Agreement with the New York Power Authority (“NYPA”) pursuant to which NYPA will prepare a feasibility report and provide design, construction management, equipment procurement, installation, and financing services on behalf of the County in connection with the Yonkers Joint Wastewater Treatment Plant with a 1,400 kW engine generator which will be fueled by excess digester gas and natural gas at the plant to generate on-site electricity; and be it further

RESOLVED, that the work will be completed at a cost of \$9,988,429.00, which will be paid by the County upon completion of the construction over a period of fifteen (15) years with an associated financing cost of \$3,310,541.00, for a total not to exceed amount of \$13,298,970.00. The cost of the project will be offset by the estimated annual energy savings of \$1,018,324.00; 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 be and hereby is authorized and empowered to execute any and all appropriate documents necessary to effectuate the purposes of this resolution in the manner prescribed by law; 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. 12-900

Account to be Charged/Credited	Fund	Dept	Major Program, Program & Phase or Unit	Object/ Sub Object	Trust Account	Dollars
For each of 15 years	221	60	0110	3200		\$886,598.00 per year
					Total:	\$13,298,970.00

Budget Funding Year(s): 2014-2029 Start Date: 01/01/12 End Date: 12/31/29
 (must match resolution)

Funding Source: Tax Dollars: 100% County Contractor Federal I.D. No./
 State Aid: _____ Social Security No.: _____
 \$ 13,298,970.00 Federal Aid: _____ Vendor No.: _____
 (must match resolution) Other: _____ Encumbrance No.: _____