

84288

TO: Board of Acquisition and Contract

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

DATE: April 20, 2021

SUBJECT: Authorization to enter into a Customer Installation Commitment Agreement with the Power Authority of the State of New York, also known as the New York Power Authority (“NYPA”), for the design and construction of a Primary Deaerator Tank Replacement at the County’s Central Heating Plant, Valhalla Campus, Valhalla, New York (Agreement No. 21-908)

Agreement Amount: \$2,790,000.00

The County of Westchester (“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 July 18, 2019 your Honorable Board authorized the County to enter into an Energy Services Program Master Cost Recovery Agreement (the “Master Agreement”) with NYPA, the terms of which govern any and all other agreements, known as Customer Installation Commitments or Customer Project Commitments (“CIC/CPCs”), with NYPA for the study, design and construction of Energy Efficiency and Clean Energy Projects at various County facilities, for the period of May 1, 2019 through April 30, 2024 with the County having the sole option to renew the Agreement for an additional five years. Pursuant to the July 18, 2019 Resolution, NYPA shall not commence any phase of any project without the prior written approval of the Commissioner of Public Works and Transportation under a separate CIC/CPC, subject to further authorization of your Honorable Board.

The County recently completed a project with NYPA, which upgraded the equipment and control systems at the Central Heating Plant in Valhalla. During inspections for that project, the existing deaerator tank was discovered to be pitted and excessively corroded. Repairs were made to the tank as part of that project, which extended the useful life of the tank.

The County’s current five-year capital plan includes a capital project in 2024 to replace the deaerator tank. Recent inspections however have indicated that tank has deteriorated faster than expected and it is critical to replace the tank at this time.

Therefore the County wishes to proceed with replacement of the deaerator tank at this time in order to address the immediate need and assign this project to NYPA. The County and NYPA must enter into a CIC Agreement in connection with this upgrade. The services will include, but not be limited to, design and construction.

The scope of the current request includes the demolition and removal of the existing primary deaerator tank, furnishing a new tank with all accessories and associated mechanical, electrical and control work, including testing and balancing. This project will be completed at a cost not-to-exceed \$2,790,000.00.

Board of Acquisition and Contract
Agreement No. 21-908
Primary Deaerator Tank Replacement
Central Heating Plant, Valhalla Campus
New York Power Authority
Page 2

The deaerator tank has a long lead time and the design and construction must begin prior to next year's heating season. Therefore, in order for the project to progress in a timely manner, the County respectfully requests that your Honorable Board approve the authorization to proceed with the project so the design can commence and the tank can be ordered.

The goal and objective of the proposed project is to reduce fuel consumption 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 this 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.

HJG/GMK/as

RESOLUTION

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

RESOLVED, that County of Westchester (“County”) has identified the Primary Deaerator Tank Replacement at the County’s Central Heating Plant, Valhalla Campus, 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 design and construction in connection with this upgrade at the County’s Central Heating Plant; and be it further

RESOLVED, that the work will be completed at a cost not-to-exceed \$2,790,000.00, pursuant to an approved budget; 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 the Agreement or to renegotiate the amounts and rates approved herein. If the County subsequently offers to pay a reduced amount to the Consultant, then the Consultant shall have the right to terminate this Agreement upon reasonable prior written notice; and be it further

RESOLVED, that NYPA shall not commence any phase of the work for the project without prior written approval of the Commissioner of Public Works and Transportation; 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. 21-908

Account to be Charged/Credited	Fund	Dept	Major Program, Program & Phase or Unit	Object/ Sub Object	Bond Act No.	Dollars
	346	46	B077D-02-S	6120-03	BA #45-2021	\$ 2,790,000.00

Budget Funding Year(s): 2021 Start Date: 05/01/21 End Date: 12/31/23
 (must match resolution)

Funding Source: Tax Dollars: 100% County Contractor Federal I.D. No./
 State Aid: _____ Social Security No.: _____
\$2,790,000.00 Federal Aid: _____ Vendor No.: _____
 (must match resolution) Other: _____ Encumbrance No.: _____