



Board Report

File #: BC 24-056, **Version:** 1

- a. Support authorizing and directing the Auditor-Controller to amend the Fiscal Year (FY) 2023-24 Adopted Budget for the Building Improvement and Replacement Fund 478, Appropriation Unit CAO047, to increase appropriations by \$734,284, financed by Unrestricted Net Position (478-BIR-3202);
- b. Support authorizing and directing the Auditor-Controller to amend the FY 2023-24 Adopted Budget for the General Fund 001, Facility Services Appropriation Unit PFP054, to increase appropriations and operating transfer in by \$734,284, financed by an operating transfer in from Building Improvement and Replacement Fund 478, Appropriation Unit CAO047 for the purchase of two emergency generators; and
- c. Support authorizing and directing the Auditor-Controller to transfer \$734,284 for the FY 2023-24 from Building Improvement and Replacement Fund 478, Appropriation Unit CAO047, to General Fund 001, Facility Services Appropriation Unit PFP054.

RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Support authorizing and directing the Auditor-Controller to amend the Fiscal Year (FY) 2023-24 Adopted Budget for the Building Improvement and Replacement Fund 478, Appropriation Unit CAO047, to increase appropriations by \$734,284, financed by Unrestricted Net Position (478-BIR-3202);
- b. Support authorizing and directing the Auditor-Controller to amend the FY 2023-24 Adopted Budget for the General Fund 001, Facility Services Appropriation Unit PFP054, to increase appropriations and operating transfer in by \$734,284, financed by an operating transfer in from Building Improvement and Replacement Fund 478, Appropriation Unit CAO047 for the purchase of two emergency generators; and
- c. Support authorizing and directing the Auditor-Controller to transfer \$734,284 for the FY 2023-24 from Building Improvement and Replacement Fund 478, Appropriation Unit CAO047, to General Fund 001, Facility Services Appropriation Unit PFP054.

SUMMARY:

1441 and 1488 Schilling Place, Salinas (Schilling Campus) currently services 10 different departments/units, who rely on backup generator power to ensure public services are maintained in the event of a disaster or power outage. The existing critical equipment no longer complies with current Monterey Bay Air Resources District (MBARD) requirements and corrective action was required immediately.

DISCUSSION:

MBARD rejected the most recent permit application submitted in March 2023, for the two (2) emergency auxiliary generators located at two facilities on Schilling Campus, due to the exhaust discharge ratings on the category, age, and size of their diesel engines. The Schilling Campus emergency auxiliary generators are both approximately 22 years old, and the typical lifespan for the existing generators range from 15 to 20 years.

The County received a “Denial of Permit Application” letter, dated, March 16, 2023. MBARD determined if a retrofit kit was applicable, this would be sufficient to address compliance requirements. However, several generator manufacturers confirmed there is no retrofit kit available for the existing outdated generators. Staff filed an appeal for temporary use pending replacement of units, MBARD denied appeal April 2023.

As a result, the generators could no longer be operated, even under emergency conditions. Replacement of the generators required architectural design and permitting, Public Works, Facilities and Parks (PWFP) then engaged The Paul Davis Partnership, LLC (Consultant).

To address immediate need, Consultant provided recommended temporary Generator Sets, a combination of engine and a generator (GenSet) which provide power to run equipment or systems without requiring access to the power grid, to provide immediate temporary backup based on PG&E Peak Demand information. Staff then obtained two rental generators appropriately sized mobile units that could be connected to the existing automatic or manual transfer switches as recommended by Consultant.

Consultant provided a generator assessment and design services for permanent replacement of the existing outdated generators and fuel tanks, that meet MBARD's requirements with current California Air Resources Board (CARB) and Environmental Protection Agency (EPA) Tier2.

Currently, the project total cost is \$4,305,650, including the cost to rent the temporary units of \$449,460 from June 2023 to June 2024. Due to the urgent need to keep the Schilling Campus operational, PWFP used Facility Maintenance Unscheduled funds to cash flow temporary rentals (\$449,460) and complete design to permitting. The total project cost is included in the draft Capital Improvement Program Five-Year Plan for FY 2024-25 through 2028-29. As designed, the goal is to purchase and install generators by June 30, 2025, pending funding and Board of Supervisors approval. Due to lead times for units, up to 75 weeks, as confirmed by multiple vendors, an additional \$449,460, would be required for FY 2024-25 to continue renting both temporary emergency generators through June 2025. This would allow commissioning of the new permanent replacement emergency generators. A total of \$898,920 would be incurred to rent two temporary emergency generators. Contingent on not having any delays.

Instead of renting the units, staff recommends purchasing the temporary GenSets currently on-site. Vendor has provided a quote for both temporary units of \$734,284 total, including the cables required to connect to the building. The larger generator is 1,000KW and the second smaller generator is 425KW. The County is receiving a discount of \$25,000. If the requested augmentation is approved, these temporary units would be on-site until construction for the permanent replacements is complete. The County could store these temporary generators on-site and they would be available to use at other facilities or emergencies when required.

The Project budget (Attachment A) is based on proposals received through JOC estimators for contractor furnished equipment and pricing obtained directly from independent manufacturers through Sourcewell Cooperative Purchasing (national competitive solicitations that meet or exceed local requirements, defined by the American Bar Association Model Procurement Code for State and Local Governments) for owner furnished and contractor installed pricing. Owner furnished and contractor installed can often provide some project cost savings.

The designed parallel generator configuration is appropriate for a solar hookup and alternative fuel option renewable diesel (R99) a sustainable and low-carbon alternative to traditional diesel fuel that offers a range of benefits for diesel machines. However, a solar hookup configuration would require a re-design of the currently permitted drawings to address the compatibility with the generator and will incur additional costs.

Thus, PWFP is requesting this mid-year augmentation to support funding for Unscheduled Facility Maintenance which addresses critical infrastructure work through the multi-use County Facilities of its new and aged systems.

OTHER AGENCY INVOLVEMENT:

MBARD coordination was required to address current CARB and EPA Tier2 minimum requirements and determine if alternate more cost-effective solutions were viable.

FINANCING:

The FY 2023-24 Adopted Budget includes \$950,000 for Facility Unscheduled Maintenance and subsequently the Board of Supervisors approved an additional \$503,067 for projects rolling over from FY 2022-23, for a total allocation of \$1,453,067. Currently, forecasted expenditures are \$1,413,878, which leaves a balance of \$41,333. The additional \$734,284 is requested to augment cost incurred to purchase two temporary generators in lieu of renting, additional rental fees will be incurred until permanent generators are commissioned. The augmentation will allow Staff to address other emergency projects for critical infrastructure work throughout County Facilities. The requested augmentation is requested from the Building Improvement and Replacement Fund.

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Attachments:

Attachment A - Project Budget