



## Board Report

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**File #:** BC 21-026, **Version:** 1

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- a. Support authorizing and directing the Auditor-Controller to: 1) Amend FY 2020-21 Capital Projects Adopted Budget, Fund 402, Appropriation Unit RMA014, to increase appropriations by \$707,006 for the Chiller Replacement Project, Project Number 4041 at 1200 Aguajito Road in Monterey, financed by an operating transfer in of \$707,006 from Fund 478, Appropriation Unit CAO047 (4/5th vote required); and
- b. Increase appropriations and transfer \$707,006 from Building Improvement and Replacement Fund 478, Appropriation Unit CAO047, to Capital Projects, Fund 402, Appropriation Unit RMA014, (4/5th vote required).

### RECOMMENDATION:

It is recommended that the Budget Committee:

- a. Support authorizing and directing the Auditor-Controller to: 1) Amend FY 2020-21 Capital Projects Adopted Budget, Fund 402, Appropriation Unit RMA014, to increase appropriations by \$707,006 for the Chiller Replacement Project, Project Number 4041 at 1200 Aguajito Road in Monterey, financed by an operating transfer in of \$707,006 from Fund 478, Appropriation Unit CAO047 (4/5<sup>th</sup> vote required); and
- b. Increase appropriations and transfer \$707,006 from Building Improvement and Replacement Fund 478, Appropriation Unit CAO047, to Capital Projects, Fund 402, Appropriation Unit RMA014, (4/5<sup>th</sup> vote required).

### SUMMARY:

In Fiscal Year 2020-21, the Board of Supervisors approved \$402,994 to the Chiller Replacement Project, which includes installation of the new water-cooled chiller, expansion tank, pumps, and ancillary equipment. The project/costs did not include replacing 150 feet of underground condensing water lines, replacing the cooling tower, or temporary cooling of the building during construction.

During the scoping/design of the Chiller Replacement Project, the engineer recommended replacing not only the 120-ton water-cooled chiller but the cooling tower as well. The change in scope increased the project budget by \$707,006 for a total project cost of \$1.11 million.

The existing cooling tower is obsolete, and parts are difficult to locate. Replacement of the cooling tower has been in the County of Monterey Capital Improvement Program (CIP) for 5 years and was identified in the 2015 Facility Assessment Report as “Critical,” meaning immediate replacement recommended.

The advantages of an air-cooled chiller are:

1. Eliminates the cooling tower and the open-loop part of the piping system. It removes all the chemical treatment and ongoing maintenance of keeping the cooling tower operating and free of debris.
2. Eliminates the need to replace the buried condenser water piping or running new piping up the exterior of the building following the generator piping path.
3. Eliminates the potential of having to unassemble and assemble a new water-cooler or create a larger opening in the exterior wall and areaway to install a new water-cooled chiller in the existing compact mechanical room. The new air-cooled chiller would be located at grade outside of the existing chiller mechanical room.
4. Lowers installation cost between installing a water-cooled chiller, cooling tower, and condensing lines.

5. Will meet current codes and space requirements.

The existing Heating, Ventilation, and Air Conditioning (HVAC) system consist of a 120-ton water-cooled chiller, one base-mounted chilled water pump, a cooling tower, and a base-mounted condenser water pump. The chilled water pump and chiller are installed in a basement mechanical room. Chilled water lines are routed from the basement to the mechanical penthouse and serves two (2) air handling units (courthouse unit and probation dept. unit.). Condenser water lines run from the chiller mechanical room into the adjacent emergency generator room and then approximately 150 feet underground to the cooling tower. The cooling tower and condenser water pump are installed in a fenced area to the north of the site.

The revised project scope includes demolishing the existing water-cooled chiller, cooling tower, underground condensing lines, and installing an air-cooling chiller, expansion tank, pumps, ancillary equipment, and fencing. The Project will be constructed using Job Order Contracting (JOC).

Under the Joint Occupancy Agreement (JOA) between the Judicial Council of California, Administrative Office of the Courts (AOC) and the County of Monterey, the AOC share of cost is \$556,554 (50.14 percent) and the County's share is \$553,446 (49.86%). In accordance with the JOA under Section 4.3 Notice of Anticipated Excess Costs of the JOA, a formal request for project reimbursement has been sent to the AOC (See Attachment A). Construction activities will not commence until the AOC's commitment to reimburse the County for \$556,554 has been received.

The Project cost of \$1.11 million qualifies as a Capital Project and will be funded out of Fund 402 Capital Projects, Appropriation Unit RMA014. As there are insufficient funds within the FY 2020-21 Fund 402 Adopted Budget, PWFP recommends that the Project be financed by an operating transfer in from the Building Improvement and Replacement Fund 478-BIR, Appropriation Unit CAO047.

**DISCUSSION:**

The Chiller and Cooling Tower projects are in the County Five-Year Capital Improvement Program for Fiscal Years 2019-20 through 2023-24.

Since the Project scope has changed, the PWFP requests an additional \$707,006 in appropriations for the Capital Projects Fund 402, financed by an operating transfer in from Building Improvement and Replacement Fund 478-BIR, Appropriation Unit CAO047. Upon reimbursement from the AOC, Fund 478-BIR will be reimbursed 50.14 percent of the total project cost.

The change in scope and increase in cost was present and approved by the Capital Improvement Committee on March 8, 2021. It will be presented to the Board of Supervisors for consideration on April 20, 2021.

**OTHER AGENCY INVOLVEMENT:**

The Capital Improvement and Budget committees and the Board of Supervisors approved the individual projects in the County Five-Year Capital Improvement Program for FYs 2019-20 through 2023-24 and the Judicial Council of California, Administrative Office of the Courts (AOC) authorized Notice to Proceed on November 6, 2019.

**FINANCING:**

The FY 2020-21 Fund 402 Capital Projects Adopted Budget includes \$402,994 for this Project. Due to the change in scope, \$707,006 in additional appropriations is required (See Attachment B-Project budget). PWFP requests the financing source, in the form of an operating transfer in, be from the Building Improvement and

Replacement Fund 478-BIR, Appropriation Unit CAO047. Fund 478-BIR will be reimbursed 50.14 percent of the total project cost upon receipt from the AOC.

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Approved by: Shawne Ellerbee, Assistant Director of Public Works, Facilities & Parks

Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities & Parks

Attachments:

Attachment A - AOC Letter

Attachment B - Project Budget