

GENERAL

Ordinance Fact Sheet

210609

Ordinance Number

Brief Title	Approval Deadline	Reason
Second Amendment to Cooling Service and City Equipment Lease Agreement		These services are to 2,400-tons of cooling from Vicinity's integrated West Loop Chilled Water System at the Convention and Entertainment Facilities Department.

Details	Positions/Recommendations
<p>Reason for Legislation</p> <p>Authorizing the Manager of Procurement to enter a Second Amendment to the Cooling Service and City Equipment Lease Agreement by adding a ten-year (10) extension to the current terms of the Agreement with up to ten (10) additional one (1) year renewable periods at the City's option with formerly Trigen now Vicinity Energy to provide 2,400-tons of cooling from Vicinity's integrated West Loop Chilled Water System, which will replace the current cooling loads served by Convention and Entertainment Facilities Department Kansas City Convention Center's electric chillers.</p>	<p>Sponsor</p> <p>Programs, Departments, or Groups Affected</p> <p>Applicants / Proponents</p> <p>Applicant</p> <p>City Department General Services Department</p> <p>Other</p>
<p>Discussion</p> <p><u>Currently Convention Center Cooling System, Operation and Risks:</u> Conventions has three (3) 800-ton electric chillers, with a combined capacity of 2,400-tons with galvanized cooling towers, that were installed in 1993, and aging the equipment at 28 years old. Galvanized cooling towers service life range 15-17 years and a chiller's average service life is 23 years. The estimated cost of replacement for the electric chillers and cooling towers is \$2.5 to \$3 Million Dollars. Also, Convention's has two (2) Steam Driven Chillers with a combined capacity of 2,400-tons which are currently in good shape. These steam chillers were added by Vicinity in the Bartle Hall Expansion, and supplied with stainless steel cooling towers. The stainless construction creates a longer service life than galvanized cooling towers serving the three (3) electric chillers. Vicinity proposes to layup the three (3) 800-ton electric chillers and their cooling tower with a combined capacity of 2,400-tons as to preserve their condition since they are past their service life. The layup would reduce operation and the use would be only in case of emergency. This benefit would further reduce wear and tear on the three (3) electric chillers and their cooling towers. Again, the intent is to extend the units service life by being only used only on an emergency basis. Vicinity would assume all cost, they would be responsible for the layup work and complete up to \$40K annually for preventive maintenance. This would be at zero cost to the City. By integrating into the West Loop Vicinity District Chilled Water System, Vicinity's would provide the service of the 2,400-tons of cooling from it's district chilled water system, which would replace the cooling loads served by the current electric chillers at zero cost to the City as replace for project cost that is projected at \$700K, which will be provide at NO COST to the CITY, and covered in entirety by Vicinity by adding a ten (10) year extension to current terms of the Agreement, with ten (10) additional one (1) renewal periods at the City's option.</p>	<p>Opponents</p> <p>Groups or Individuals None Known</p> <p>Basis of opposition None Known</p> <p>Staff Recommend</p> <p><input checked="" type="checkbox"/> For <input type="checkbox"/> Against</p> <p>Reason Against</p> <p>Board or Commission Recommend</p> <p>By N/A</p> <p><input type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> No action taken <input type="checkbox"/> For, with revisions or conditions (see details column for conditions)</p> <p>Council Committee Actions</p> <p><input type="checkbox"/> Do pass <input type="checkbox"/> Do pass (as amended) <input type="checkbox"/> Committee Sub. <input type="checkbox"/> Without Recommendation <input type="checkbox"/> Hold <input type="checkbox"/> Do not pass</p>

(Continued on reverse side)

Details

Is It Good For The Children?

Yes.

How will this contribute to a sustainable Kansas City?

The District chilled water is 99.9% reliable due redundances in power, cooling, and pumping equipment at Vincy's central plant.

Avoid future capital cost of \$2.5 to \$3 Million Dollars in estimated capital cost to replace the electric chillers and cooling towers, which would no longer be necessary, as their use would be replaced with district chilled water since the chillers are five (5) years past their service life, and the cooling towers are eleven (11) years past their service life.

Continuation of preventive maintenance to electric chillers, although the electric chillers and cooling towers are past its service life and Vinity will still provide up to \$40K annually for preventative maintenance. This approach will allow for the longest potential remaining life of the other chillers.

No Change or Increase to City's Current Cost: The cost of service incurred by the City will not increase. Avoiding major capital expense allows for no cost increases to the existing structure of agreement.

Policy/Program Impact

Policy or Program Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

Finances

Cost & Revenue Projections -- Including Indirect Costs	
Financial Impact	
Fund Source (s) & Appropriation Account Codes	

Fact Sheet Prepared by:

Date:

Reviewed by:

Date:

Reference Numbers