

ID #113505

DATE: April 15, 2026

TO: Honorable Member of the Board of Acquisition and Contract

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

SUBJECT: Resolution authorizing the County of Westchester to enter into an agreement with DCO Energy, LLC pursuant to which DCO will provide 24 x 7 operation and maintenance of the County's Central Heating Plant for a five (5) year period in a total amount not to exceed \$11,974,000 with the County having the option, in its sole discretion, to renew the agreement for one (1) additional five (5) year renewal term by sending a written notice to renew at least 90 days prior to the expiration date of the initial term subject to receiving approval from your Honorable Board to exercise the renewal option, for an additional total amount not to exceed \$13,785,000.
(Agreement No. 25-914)

Authority is hereby requested for the County of Westchester (the "County"), acting by and through its Department of Public Works and Transportation (the "Department"), to enter into an agreement with the DCO Energy LLC ("DCO") pursuant to which DCO will provide for the operation and maintenance of the County's Central Heating Plant located on the County's Valhalla, New York grasslands campus for a five (5) year period in a total amount not to exceed \$11,974,000, with the County having the option, in its sole discretion, to renew the agreement for one (1) additional five (5) year renewal term by sending written notice to renew at least 90 days prior to the expiration date of the initial term subject to receiving approval from your Honorable Board to exercise the renewal option, for an additional total amount not to exceed amount of \$13,785,000 (the "Agreement").

Under the Agreement, the County will pay the following annual lump sum prices for the operation and maintenance of the plant during the initial (5) year period:

Year 1 - \$2,142,000,
Year 2 - \$2,207,000,
Year 3 - \$2,273,000,
Year 4 - \$2,341,000, and
Year 5 - \$2,411,000.

The above prices, plus an amount not to exceed \$600,000 for allowance work, equals the not to exceed amount of \$11,974,000 for the initial five (5) year period.

If the County, in its sole discretion and with the future approval of this Honorable Board, exercises its option to renew the agreement for one (1) additional five (5) year term, the following annual lump sum prices shall apply in the renewal period:

Year 1 - \$2,483,000,
Year 2 - \$2,558,000,
Year 3 - \$2,635,000,
Year 4 - \$2,714,000, and
Year 5 - \$2,795,000.

The above prices, plus an amount not to exceed \$600,000 for allowance work, equals the not to exceed amount of \$13,785,000 for the renewal period of the Agreement.

The term of the Agreement shall commence upon execution of the Agreement by both parties and approval of the Agreement by the County Attorney's Office. In order to methodically and safely transfer the operation and maintenance of the Plant, DCO shall commence the operation and maintenance at the date and time set forth in the written notification from the Commissioner ("Work Commencement Date") and DCO shall continue to operate and maintain the plant according to the terms of the Agreement. The Agreement shall expire five (5) years from the Work Commencement Date unless it is terminated earlier or renewed by the County pursuant to the provisions of the Agreement.

The plant is a steam plant that operates under very high pressure and high temperatures. There is serious risk of injury or death if the operation and maintenance are not properly performed. The proper operation and maintenance of the plant also involves specialized skills. The operation and maintenance also need to be performed in parallel with each other and in communication with each other for the safe operation of the plant.

The plant services critical facilities at the Grasslands campus in Valhalla, including Woodfield Cottage juvenile detention facility, the Westchester Medical Center, the Public Health Laboratories, the Westchester Corrections Facility, and the Department of Social Services Grasslands Homeless Shelter. If the plant were not to be properly operated and maintained and broke down, there would be serious risk of harm and injury to the public using the critical facilities that the plant services.

Due to the nature of the plant, the County issued a Request for Proposals ("RFP"), on July 7, 2025, for 24 x 7 operation and maintenance services for the plant. The County advertised the RFP on its website and on BidNet. The RFP required potential proposers attend a mandatory site visit held on July 23, 2025. Four firms attended the mandatory site visit which were DCO Energy, Superior Central Boiler, Markley Mechanical, George S. Hall, Inc. The County issued Addendum Number 1 on August 12, 2025 and Addendum Number 2 on August 14, 2025. On September 3, 2025, the RFP deadline for submission of proposals, the Department received 3 proposals from Superior Central Boiler, DCO Energy, George S Hall. An evaluation team comprised of representatives from the Department of Public Works Operations evaluated each proposal and interviewed each proposer in detail with reference to evaluation criteria in the RFP. After careful consideration and evaluation of each proposal, the evaluation team ranked the proposals in the order of DCO Energy, Superior Central Boiler, and George S Hall. Based upon the evaluation criteria set forth in the RFP, the Department entered into negotiations with DCO Energy, and now recommends approval of the proposal Agreement with DCO to your Honorable Board.

Accordingly, I most respectfully recommend the adoption of the annexed proposed Resolution to ensure the continued safe 24 X 7 operation of the CHP and all of the vital facilities that it serves on the Valhalla Campus.

HG/ran
Attachment

RESOLUTION

Upon a communication from the Commissioner of the Department of Public Works, be it hereby

RESOLVED, that the County of Westchester (the “County”), acting by and through its Department of Public Works and Transportation (the “Department”), is hereby authorized to enter into an agreement with DCO Energy LLC (“DCO”) pursuant to which the DCO will provide 24 x 7 operation and maintenance of the County’s Central Heating Plant (CHP) that serves critical facilities at the grasslands campus in Valhalla, New York for a five (5) year period in a total amount not to exceed \$11,947,000 having the option to renew the Agreement for one (1) additional five (5) year renewal period by sending written notice to renew at least 90 days prior to the expiration of the initial term subject to receiving approval from your Honorable Board to exercise the renewal option, for an additional total not to exceed amount of \$13,785,000 (the “Agreement”), and be it further

RESOLVED, the County will pay the following annual lump sum prices for the operation and maintenance services performed during the initial five (5) year period: Year 1 - \$2,142,000, Year 2 - \$2,207,000, Year 3 - \$2,273,000, Year 4 - \$2,341,000, and Year 5 - \$2,411,000, which, along with \$600,000 for allowance work, equals the not to exceed amount of \$11,974,000 for the initial five (5) year period; and be it further

RESOLVED, if the County chooses to exercise the renewal option, the County will pay the following annual lump sum prices during the renewal term: Year 1 - \$2,483,000, Year 2 - \$2,558,000, Year 3 - \$2,635,000, Year 4 - \$2,714,000, and Year 5 - \$2,795,000, which, along with the \$600,000 for allowance work, equals the not to exceed amount of \$13,785,000 for the five (5) year renewal term of the Agreement; and be it further

RESOLVED, that the term of the Agreement shall commence upon execution of the Agreement by both parties and approval of the Agreement by the County Attorney’s Office, and, in order to methodically and safely transfer the operation and maintenance of the Plant, DCO shall commence the operation and maintenance services at the date and time set forth in the written notification from the Commissioner (“Work Commencement Date”) to DCO and continue to operate and maintain the plant according to the terms of the Agreement and the Agreement shall expire five (5) years from the Work Commencement Date unless it is terminated earlier or renewed by the County pursuant to the provisions of the Agreement; and be it further

RESOLVED, that the County Executive or his authorized designee be and hereby is authorized to execute any and all documents necessary and appropriate to effectuate the purposes hereof; and be it further

RESOLVED, that this Resolution shall take effect immediately.

Account to be Charged/ Credited	Fund	Dept	Major Program, Program & Phase Or Unit	Object/ Sub-Object	Trust Account	Dollars
	101	46	3400	4380	GGDS	\$ 377,000.00 (2026)
	101	46	3400	4380	GGDS	\$ 2,270,000.00 (2027)
	101	46	3400	4380	GGDS	\$ 2,340,000.00 (2028)
	101	46	3400	4380	GGDS	\$ 2,405,000.00 (2029)
	101	46	3400	4380	GGDS	\$ 2,472,000.00 (2030)
	101	46	3400	4380	GGDS	\$ 2,110,000.00 (2031)

Budget Funding Year(s): 2026-2031 Start Date: November 1, 2026 End Date: October 31, 2031
 (must match resolution)

Funding Source Tax Dollars: 100%
 State Aid: _____
\$11,974,000.00 Federal Aid: _____
 (must match resolution) Other: _____