

EXECUTIVE RECOMMENDATION



HVAC (Mechanical Systems) Replacement: MCPS (P816633)

Category	Montgomery County Public Schools	Date Last Modified	12/04/23
SubCategory	Countywide	Administering Agency	Public Schools
Planning Area	Countywide	Status	Ongoing

EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Planning, Design and Supervision	51,800	13,501	14,499	23,800	5,700	5,700	3,100	3,100	3,100	3,100	-
Construction	255,221	88,910	46,111	120,200	29,300	29,300	15,400	15,400	15,400	15,400	-
Other	3,000	-	3,000	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	310,021	102,411	63,610	144,000	35,000	35,000	18,500	18,500	18,500	18,500	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
G.O. Bonds	207,893	90,661	27,482	89,750	21,200	21,350	11,800	11,800	11,800	11,800	-
Recordation Tax	3,000	3,000	-	-	-	-	-	-	-	-	-
State Aid	99,128	8,750	36,128	54,250	13,800	13,650	6,700	6,700	6,700	6,700	-
TOTAL FUNDING SOURCES	310,021	102,411	63,610	144,000	35,000	35,000	18,500	18,500	18,500	18,500	-

COMPARISON (\$000s)

	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years	FY 25 Approp.
Prior Year Approved	240,521	87,929	78,092	74,500	19,000	18,500	18,500	18,500	-	-	-	-
Agency Request	310,021	102,411	63,610	144,000	35,000	35,000	18,500	18,500	18,500	18,500	-	35,000
Recommended	310,021	102,411	63,610	144,000	35,000	35,000	18,500	18,500	18,500	18,500	-	35,000

CHANGE	TOTAL	%	6-YEAR	%	APPROP.	%
Agency Request vs Prior Year Approved	69,500	28.9%	69,500	93.3%	35,000	-
Recommended vs Prior Year Approved	69,500	28.9%	69,500	93.3%	35,000	-
Recommended vs Agency Request	-	-	-	-	-	-

RECOMMENDATION

Approve with Technical Modifications. State aid updated with most recent assumption per communication with MCPS.



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EXPENDITURE SCHEDULE (\$000s)

Cost Elements	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
Planning, Design and Supervision	51,800	13,501	14,499	23,800	5,700	5,700	3,100	3,100	3,100	3,100	-
Construction	255,221	88,910	46,111	120,200	29,300	29,300	15,400	15,400	15,400	15,400	-
Other	3,000	-	3,000	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	310,021	102,411	63,610	144,000	35,000	35,000	18,500	18,500	18,500	18,500	-

FUNDING SCHEDULE (\$000s)

Funding Source	Total	Thru FY23	Est FY24	Total 6 Years	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	Beyond 6 Years
G.O. Bonds	235,293	90,661	27,482	117,150	28,250	28,300	11,800	11,800	18,500	18,500	-
Recordation Tax	3,000	3,000	-	-	-	-	-	-	-	-	-
State Aid	71,728	8,750	36,128	26,850	6,750	6,700	6,700	6,700	-	-	-
TOTAL FUNDING SOURCES	310,021	102,411	63,610	144,000	35,000	35,000	18,500	18,500	18,500	18,500	-

APPROPRIATION AND EXPENDITURE DATA (\$000s)

Appropriation FY 25 Request	35,000	Year First Appropriation	FY81
Appropriation FY 26 Request	35,000	Last FY's Cost Estimate	240,521
Cumulative Appropriation	166,021	Partial Closeout Thru FY23	64,581
Expenditure / Encumbrances	-	New Partial Closeout	-
Unencumbered Balance	166,021	Total Partial Closeout	64,581

PROJECT DESCRIPTION

This project provides for the systematic replacement of heating, ventilating, air conditioning, automated temperature controls, and plumbing systems for MCPS facilities. This replacement approach is based on indoor environmental quality (IEQ), energy performance, and maintenance data. Qualifying systems and/or components are selected based on the above criteria and are prioritized within the CIP through a rating system formula. MCPS is participating in interagency planning and review to share successful and cost effective approaches. The Indoor Air Quality and Energy Conservation projects are now merged with this project to better reflect the coordination of work performed. The work-years reflected in this project are from that merger. An FY 2023 appropriation was approved for mechanical systems upgrades and/or replacements at various schools throughout the county. However, the County Council, in the adopted FY2023-2028 CIP decreased expenditures in FY2023, therefore, the number of projects to be completed were reduced to align with the approved expenditures. Implementation of this program will also be based on implications of construction

cost increases and supply chain interruptions. An FY 2024 appropriation and amendment to the FY 2023-2028 CIP was requested to address the backlog of HVAC projects and provide additional funding due to the impact on construction costs as a result of the COVID-19 pandemic. An FY2023 supplemental appropriation of \$25 million was approved to accelerate a portion of the FY2024 request to be able to order materials earlier due to supply chain interruptions. As part of the FY2025-230 CIP, work-years previously shown in this project have been shifted to the Healthy Schools project to align with the work performed. An FY 2025 appropriation is requested to address the backlog of HVAC projects and provide mechanical systems upgrades and/or replacement for facilities throughout the school system. The appropriation also will fund replacement of automatic temperature controls at schools throughout the county.

OTHER

Master Plan for School Facilities, Department of Environmental Protection, Department of Health and Human Services, American Lung Association, County Government, Interagency Committee--Energy and Utilities Management, MCPS Resource Conservation Plan, County Code 8-14a

FISCAL NOTE

Reflects MCPS correction for funding allocations prior to FY19. FY20 supplemental in State Aid for \$367,850 from the Maryland's Healthy Schools Facility Fund. FY21 supplemental in Recordation Tax for the amount of \$3,000,000 to enhance the HVAC systems and improve indoor air quality to support COVID-19 recovery planning. FY23 State Aid award for \$19.250 million for multiple years. FY23 supplemental in G.O. Bonds and State Aid for the amount of \$25,000,000 to accelerate FY24 appropriation. The cost of the project and cumulative appropriation were reduced by \$14.698 million due to FY21 & FY22 reversions. Additional reversions from FY23 had no impact in the cost of the project.

DISCLOSURES

Expenditures will continue indefinitely. MCPS asserts that this project conforms to the requirement of relevant local plans, as required by the Maryland Economic Growth, Resource Protection and Planning Act.