



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich
County Executive

Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

February 16, 2023

To: Jennifer Bryant, Director
Office of Management and Budget

From: Tiffany Ward, Director
Office of Racial Equity and Social Justice 

Re: Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-23
HVAC/Electric Replacement & #23-77 EOB HVAC Renovation

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriations #23-77 EOB HVAC Renovation & #23-23 HVAC/Electric Replacement creates an opportunity to advance racial equity and social justice in the County as it provides resources for replacement of heating, ventilation, and air conditioning (HVAC) in public buildings that are needed to address an urgent health or safety concern.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #23-23 HVAC/Electric Replacement is to fund the design, purchase, and installation of chillers at Wheaton District Police Station (4D) and the Judicial Center. Supplemental Appropriation #23-77 EOB HVAC Renovation will fund the design, purchase, and installation of a chiller at the Executive Office Building (EOB).

HVAC is a critical component of building infrastructure and needs to remain in working order to ensure operations in County facilities. The Judicial Center and 4D chillers have reached the end of their useful life, are in fragile condition, and need to be replaced. The EOB HVAC equipment is now over 40 years old, over half the recommended life span recommended in the Infrastructure Maintenance Task Force (IMTF) for HVAC/electrical

equipment¹. The County is experiencing lead times of 52 weeks, requiring the chillers to be ordered in advance directly from the manufacturer to minimize delays².

ORESJ has previously documented the importance of using a racial equity lens regarding projects that involve upgrades to County facilities. Our analysis can be found in the following REIA's:

1. Supplemental Appropriation FY23-28 Capital Improvements Program for the Public Safety Communications Center Phase II
<https://www.montgomerycountymd.gov/ore/Resources/Files/23-70.pdf>
2. Supplemental Appropriation FY23-28 Capital Improvements Program for the construction of a new 6th District Police Station
<https://www.montgomerycountymd.gov/ore/Resources/Files/23-69.pdf>

Additionally, ORESJ developed a Capital Improvements Program Budget Equity Tool (CIP BET) and Guidance Manual to help stakeholders in Montgomery County incorporate a racial equity lens into CIP project development and resource decisions. Best practices for using a racial equity tool, such as the CIP BET, suggest that the tool should be used early and often in project development and involve a diverse set of project stakeholders—including community members and intended beneficiaries of the project. The HVAC projects were received outside of ORESJ's CIP BET review window. However, both projects can benefit from examination through a racial equity lens. Using the CIP BET as a framework, we offer several observations for consideration:

What racial disparities or inequities in Montgomery County does this project seek to reduce or eliminate?

By nature of the project scope, HVAC replacement does not seek to reduce any racial disparities or inequities. However, replacing these fragile heating and cooling systems will prevent disruption of services provided at these facilities. The nature of these facilities is important to conducting business for all populations of the County. These facilities provide administrative services for a host of executive branch operations, public safety in and surrounding Wheaton, and courtroom proceedings including civil, criminal, family, juvenile, licensing, and land records, as well as other non-judicial services.

¹ The 2020 IMTF report lists the acceptable lifespan for HVAC and electrical systems as 20 years and assigns the highest criticality rating of 5 to HVAC replacement, meaning life safety and systems absolutely necessary to occupy the building or very important to the preservation of the facility. The report is available at:
https://www.montgomerycountymd.gov/COUNCIL/Resources/Files/2020/Infrastructure_Maintenance_Task_Force.pdf

² Supplemental Appropriation #23-23 Transmittal Memorandum from County Executive Marc Elrich. Available beginning on page 24:

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2023/20230131/20230131_3C-3P.pdf

How does this project address the racial disparities and inequities you described?

By proactively replacing the HVAC and chiller equipment at the Judicial Center, 4D, and the EOB, the County will enable the facilities to continue to operate and continue delivering services to the public as well as staff. While no racial disparities or inequities were described, preventing service disruptions will prevent other disparities from growing.

Does this project (including its development, construction, or implementation) have the potential to create any unintended consequences?

One item to be mindful of with HVAC replacement and other capital projects managed by DGS relate to minority contracting. Using available data on County spending³, 1,400 DGS transactions were located between FY20-22 directly related to HVAC maintenance and repair, maintenance agreements, building improvement, and supplies and equipment. A search of the Montgomery County Central Vendor Registration System (MCCVRS) returned 15 Minority Female and Disabled-owned (MFD) vendors with HVAC-related NIGP codes⁴. Only 1 of the MFD vendors had been utilized for HVAC-related transactions between FY20-22. Many HVAC transactions may likely be coded under a different invoice description, such as construction. Since construction is not disaggregated, it is difficult to analyze which construction transactions are related to HVAC needs and if any MFD firms were awarded contracts to complete the work. Data is also unavailable on sub-contracting vendors.

While beyond the scope of this REIA, further research around the policies and processes used to contract firms to sell goods, design, construct, install, repair facilities and equipment, or perform preventative maintenance is needed to help ensure equity for BIPOC-owned business participation in County contracting.

cc: David Dise, Director, Department of General Services
Ken Hartman, Director, Strategic Partnerships, Office of the County Executive

³ Data Montgomery. County Spending. Available at: <https://data.montgomerycountymd.gov/Finance-Tax-Property/County-Spending/vpf9-6irg>

⁴ National Institute of Government Purchasing (NIGP) Code is a universal taxonomy for identifying commodities and services in procurement systems.