

HABITAT BRICKS & BUCKS

Local Knowledge and a Second Opinion Saved a Cool Million

Marianne Schaefer in **Bricks & Bucks** on July 3, 2019

Ossining, Westchester County



The energy-efficient, gas-fired chiller now being installed at Scarborough Manor.

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The board of the **Scarborough Manor**, a two building, 205-unit co-op on the banks of the Hudson River in **Ossining**, figured one good turn deserved another. After installing a **\$1.5 million** array of **solar panels**, the board got ready to overhaul its antiquated, 50-year-old **heating and cooling system**.

The board hired an engineer. But soon after the initial phase of the job – **asbestos removal** – got under way, it became clear that something was off. “An inspector from the town of Ossining came to have a look at the activity going on in our building,” says board president **Betsy Klampert**. “The inspector then pointed out that the subcontractor didn’t get the permit for this job, and we had to shut it all down. This started the dissatisfaction because the engineering firm was not doing its job to supervise.”

Next the board was shell-shocked when it saw the engineer's price tag for the second phase of the project: **\$4 million**. "At this point the board took another good look at the engineering firm," says Klampert. "We wanted to know how they came up with that high price."

The board had just switched management companies to **Garthchester Realty**. **Brian Scally**, vice president of Garthchester, was able to present the board with several optional engineering firms. The board decided to switch horses in mid-race and go with **Ralph Germain**, an engineer at the Mount Vernon engineering firm **Robert F. Germain**. "He has good knowledge of Westchester County and the contractors available to do this work," says Klampert. "The previous engineer led us to believe that nobody in Westchester is qualified to do that kind of work, and that was just not true. A lesson we learned was that we're better off having a company with local knowledge."

Germain didn't like the previous engineer's approach. "He didn't do a bad job, he just did a very expensive job," says Germain, who recommended switching from an electric to a less costly **gas-fired chiller/heater**. "Those are very efficient and will deliver all the hot water for heating the complex and the chilled water needed for the AC. We will also install two gas-fired water heaters." After Germain did the calculations, **Con Edison** approved the plan. This change alone saved Scarborough Manor **\$600,000**.

"If you have a capital project of this scale, you should hire an engineer who is familiar not only with the materials but with the process in the town or the city because there's a lot of paperwork that has to be dealt with," says Scally. "Then you need to get the appropriate contractor, people you have a good relationship with, so you get a good price and the project goes efficiently and on schedule."

The board has hired a specialist, who is working to obtain rebates from the **New York State Energy Research and Development Authority** (NYSERDA). "These rebates are available for getting off electric chilling," says Germain. "We're getting rid of 450 kilowatts, and I think the number is about \$1,000 per kilowatt, so that would be an additional **\$450,000**. With my design, the original \$4 million went down to about \$ 2.7 million, and that doesn't even include the money they will save efficiency-wise."

While the co-op has a healthy **reserve fund**, the board does not plan to dip into it. "We got a **second mortgage** for this," says Klampert. "There will be no **assessment**." While everybody is happy about the projected savings, Klampert is still cautious. "It's true that Germain's estimate is about \$1 million less than what the original company had given us," she says. "But companies come in with an estimate, and then all of a sudden something unforeseen happens. Still, I'm glad we got a second opinion, and it became very clear to us that you really need to have an engineer who is familiar with the territory and knows the players."

PRINCIPAL PLAYERS – Engineering: Robert F. Germain. Property Management: Garthchester Realty. Contractor: Crystal Comfort.

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