

May 21-22, 2015

ITEM 167-1502-R0515

Request for Authorization to Construct Energy Conservation Projects for the Chemistry Biology Building (CBB), and the Engineering Laboratory Classroom Building (ELC) – Montana Tech of the University of Montana

THAT

Consistent with Regents Policy 1003.7, the Board of Regents authorizes Montana Tech of the University of Montana to proceed with construction authority to execute energy saving HVAC upgrades to the CBB and ELC buildings on the Tech campus. Total project costs will not exceed \$2.2 million.

EXPLANATION

At the November 2014 BOR meeting, Tech presented an Information Item to the board members for energy saving modifications to the CBB and ELC buildings. The possibility of entering into an Energy Performance Contract (EPC) for performing work that would be self-funded through energy savings over a 15 year payback period was presented. The firm of McKinstry Energy & Facility Solutions of Missoula MT was identified as a partner for investigating energy saving measures, cooperating with Montana Department of Environmental Quality (DEQ), and the State of Montana Architectural and Engineering Division (A&E).

Due diligence has produced the following work scope as the best option for producing maximum energy savings while integrating consistent design principles and best construction contract provisions for the State of Montana:

ELC Building

The energy savings work in the ELC building will be integrated into the DEQ State Buildings Energy Conservation Program (SBECP). This will allow project oversight by the DEQ and design oversight with project management from state A&E. This consideration is important because control systems and HVAC systems integration of the new Natural Resources Research Center (NRRC) building addition capital project to the ELC energy savings project work is vital to the operational success of both projects as they will share some component resources. The NRRC is currently under design and construction timing of both projects will be used to maximum advantage.

CBB Building

The energy savings work in the CBB building will be performed through an EPC contract with McKinstry. The scope of work is narrated in attachment 1 to this item. McKinstry has analyzed and produced a design for a self-funded project with a 15 year payback or less. This project will not only produce significant energy savings, it will address serious building performance issues and deferred maintenance items. McKinstry was chosen as the provider because of their familiarity of the building and demonstrated success of similar projects at UMM and MSU. The contract with McKinstry will provide for a guaranteed energy savings as illustrated with actual test and measurement of the new work and systems, along with guaranteed maximum project construction costs. All energy savings items will be vetted by the DEQ and

only approved items will be included in the contract. The contract will be subject to approval by UM legal authorities.

Project Costs and Funding

Total Costs – not to exceed - includes design fees and management fees:

CBB = \$1.2 million

ELC = \$1.0 million

Project Total = \$2.2 million

Funding for all work includes a possible combination of DEQ SBECF funds, state BOI Intercap loan funds, Tech Plant Funds, or private loan funds.

ATTACHMENTS

Attachment #1 – Scope of Work – CBB Energy Savings Project