

Board Meeting
December 2, 2011

ROLL CALL

APPROVE ENERGY CONSERVATION PROJECT, AND PROFESSIONAL AND CONSTRUCTION SERVICES AWARD, OAK STREET CHILLER PLANT, URBANA

Action: Approve Energy Conservation Project, and Award of Professional and Construction Services Award, Oak Street Chiller Plant

Funding: Institutional Funds Operating Budget

The Public University Energy Conservation Act (110 ILCS 62/1 et seq.) allows the University to undertake “energy conservation measures” (ECMs) by engaging energy service companies. The University may enter into an installment payment contract or lease-purchase agreement with a qualified provider for the funding or financing of the purchase and installation of energy conservation measures. The guaranteed energy savings agreement shall include a written guarantee from the energy service company (ESCO) that either the energy or operational costs savings, or both, will meet or exceed within 20 years, the costs of the energy conservation measures. The ESCO shall reimburse the public university for any shortfall of guaranteed energy savings projected in the contract.

The University has identified the Oak Street Chiller Plant at the Urbana-Champaign campus as a candidate for this program. An energy audit was performed on the Oak Street Chiller Plant to identify ECMs to be implemented through energy savings

which will fund or repay design and construction costs in accordance with the Public University Energy Conservation Act.

The \$11.5 million proposed project's Energy Conservation Measures will include, but are not limited to, the installation of items such as two high efficiency electric drive chillers, cooling towers, and associated support equipment.

In order for the project to proceed, it is necessary to employ an ESCO for the required professional and construction services. The selection of the ESCO for this project was in accordance with the requirements and provisions of the Public University Energy Conservation Act.¹

It is recommended that Siemens Industry, Inc., of Mount Prospect, Illinois, be employed for the professional and construction services required through the completion of the project. The ESCO's fees will be approximately \$11.0 million.

Funds for this project will be available from the institutional funds operating budget of the Urbana campus. Any project planning and construction cost incurred prior to realization of energy savings will be from the institutional funds operating budget with anticipated reimbursement from guaranteed energy savings.

Accordingly, the Vice President, University of Illinois and Chancellor, University of Illinois at Urbana-Champaign with the concurrence of the appropriate

¹A selection committee consisting of Chris Rogan (University Office of Capital Programs); Kent Reifsteck, Josh Whitson, Mike Marquissee (Facilities and Services); and Mike Larson (Utilities) interviewed and ranked as most qualified the following firms: Honeywell, Indianapolis, IN; Schneider Electric, Chicago, IL; and Siemens Industry, Inc., Mt. Prospect, IL. The committee recommends Siemens Industry, Inc., Mt. Prospect, IL, as best meeting the criteria for the project.

administrative officers recommends that the project, professional and construction services award for Energy Performance Contracting on the Oak Street Chiller Plant be approved.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes, The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.