

Board Meeting  
July 23, 2015

ROLL CALL

APPROVE ENERGY CONSERVATION PROJECT AND PROFESSIONAL AND  
CONSTRUCTION SERVICES AWARD, COLLEGE OF ENGINEERING  
BUILDINGS, URBANA

**Action:** Approve Energy Conservation Project and Professional and Construction Services Award, College of Engineering Buildings

**Funding:** Institutional Funds Operating Budget and Academic Facilities Maintenance Fund Assessment Fund

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 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 following buildings on the Urbana-Champaign campus as candidates for this program: Seitz Materials Research Laboratory, Loomis Laboratory, Superconductivity Center, Engineering Sciences Building, and the Micro and Nanotechnology Laboratory. The buildings consist of research, teaching, and office spaces. An energy audit was performed on these buildings to identify energy

conservation measures 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 ECMs (also referred to herein as the “project”), in an amount not to exceed \$41,570,000, will include, but are not limited to, the installation of items such as occupancy sensors, building controls systems, centralized process water loops, heat recovery systems, and a clean room. ECMs will also include upgrading or replacing air handling units, steam traps, motors, and fume hoods.

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.<sup>1</sup>

It is recommended that Energy Systems Group, LLC, (ESG) of Newburgh, Indiana, be employed for the professional and construction services required through the completion of the project. The ESCO’s fees will be approximately \$40,570,000.

Funds for this project will be available from the institutional funds operating budget of the Urbana-Champaign campus and the Academic Facilities

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<sup>1</sup> A selection committee consisting of Chris Rogan (University Office of Capital Programs); Mike Marquissee (Budgeting and Resource Planning); Josh Whitson (Energy Services Administration); David Hardin (Utilities and Energy); and Greg Larson (College of Engineering) interviewed and ranked as most qualified the following firms: Chevron, Oak Brook, IL; ESG, Newburgh, IN; Noresco, Des Plaines, IL; and Schneider Electric, Homewood, IL. The committee recommends ESG, Newburgh, IN, as best meeting the criteria for the project.

Maintenance Fund Assessment Fund and resulting account that will be reimbursed through guaranteed energy savings. 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 Chancellor, University of Illinois at Urbana-Champaign, and Vice President, University of Illinois with the concurrence of the appropriate administrative officers recommends that the project and professional and construction services award for Energy Performance Contracting on the College of Engineering buildings at Urbana 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.