

Authorization of New Capital Improvements Project – The University of North Carolina at Pembroke

G.S. 143-64.17F authorizes state agencies to utilize guaranteed energy savings contracts as a method to reduce the state's increasing utility costs, improve efficiency of operations, and reduce environmental impacts. The President's Advisory Committee on Efficiency and Effectiveness (PACE) and the UNC Tomorrow Commission both identified guaranteed energy savings projects as important tools to achieve facility efficiencies and promote environmental stewardship. Furthermore, G.S.143-64.12 requires that all state buildings reduce energy consumption per gross square foot 20% by 2010 and 30% by 2015 based on fiscal year 2002-2003 consumption. Finally, the UNC Sustainability Policy authorizes the implementation of sustainable practices in buildings to meet or exceed statutory requirements to reduce energy and water use, while maintaining air quality and comfort and giving priority to the installation of high-efficiency equipment as part of an ongoing sustainability action plan.

The Board of Trustees of the University of North Carolina at Pembroke has requested authority to establish a capital improvements project and enter into a guaranteed energy savings contract which will improve energy efficiency, address deferred maintenance issues by replacing inefficient equipment and infrastructure, and reduce water consumption on the UNCP campus. This project involves 27% of the campus and includes Jones Athletic Building, Livermore Library, Old Main, and Oxendine Science Building. The energy conservation measures (ECMs) range from the installation of efficient lighting and water fixtures, occupancy sensors, energy management controls, building envelope improvements, boiler replacement in the Jones Athletic Building, air handling unit (AHU) replacements, new air conditioning for the Gym, new underground piping connections between three buildings for the heating and cooling plant, retro-commissioning of some existing buildings, and the conversion of lab hoods in the Science

Building. Desktop computer energy management and vending machine upgrades will further reduce what is known as electrical “plug load.”

Working with the State Energy Office and their list of pre-qualified energy service companies, UNCP selected Siemens Industry Inc, as the energy services company to execute the performance contract. Siemens has validated the estimated project costs and utility savings and is willing to enter into a contract to guarantee that 100% of the projected savings will be achieved, and if not, Siemens, will be liable for any shortfall. The estimated cost of the project will not exceed \$7,000,000 and would be financed with a tax-exempt loan to be repaid within 17 years from utility savings. After the debt is paid, the savings produced by the improvements, estimated to be \$697,000 per year, will continue to accrue to UNCP and the State. The project is expected to reduce the current energy consumption of the four buildings substantially.

To finance this project, UNCP will solicit competitive proposals from qualified lenders. UNCP expects a finance rate not to exceed 5%. The term of the loan will not exceed 17 years after a one-year construction period. Construction is anticipated to commence in late Spring 2011.

It is recommended that the request of the Board of Trustees of the University of North Carolina at Pembroke be approved and that the proposed contract be forwarded to the Department of Administration, the Office of State Budget and Management, the State Treasurer, and the Council of State for final approval.

A RESOLUTION AUTHORIZING AN INSTALLMENT FINANCING  
CONTRACT RELATED TO A GUARANTEED ENERGY SAVINGS  
CONTRACT ON THE CAMPUS OF THE UNIVERSITY OF NORTH  
CAROLINA AT PEMBROKE