

May 27, 2002

TO: Dalton B. Floyd, Jr., Chairman, and Members,
Commission on Higher Education

FROM: Rosemary Byerly, Chair
Committee on Finance and Facilities

SUBJECT: Facilities Agenda Items for Consideration on June 6, 2002

Attached are the Interim Facilities Projects for consideration at the Commission meeting on June 6. Please note, the Committee will meet prior to the Commission meeting on May 2 to consider these items. Staff recommendations are included for your information.

A summary of the interim projects is shown below, with descriptions of the individual projects beginning on page 2.

Summary of Interim Projects

<u>Institution</u>	<u>Project</u>	<u>Amount</u>	<u>Page</u>
1. SC State University	1890 Misc. Repairs	\$2,165,818	2
2. SC State University	Campus-wide Energy Performance Contract	\$2,000,000	2
3. Trident TC	Trident-Complex Phase III Renov.	\$ 3,780,000	3
<u>Lease</u>			
4. Clemson University	Library/Document Storage	<u>Annual Amt.</u> \$ 104,500/5 yrs.	3

Recommendation

The staff recommends approval of the above interim projects, provided the institutions comply with any provisions included as part of the individual recommendations on the following pages. Any required copies of grant awards and/or guarantee of funds letters are on file at CHE.

Interim Projects – Descriptions

S.C. State University

1890 Program Misc. Repairs \$ 2,165,818 - establish project

Source of Funds: \$ 2,165,818 - federal grant (USDA)

Description:

SC State requests approval to perform miscellaneous renovations, repairs, and expansions on various campus facilities used for activities of 1890 program. State originally requested that these funds be applied toward the completion of the 1890 Office Facility. However, the USDA (the grantors) did not approve the request. The USDA did approve using the grant funds for the following projects:

1. HVAC repairs to Hurst Research Center and Whitaker Library
2. Floor repairs to Camp Daniels Conference Center
3. Roof replacement to Hurst Research Center and Staley Hall; replace ceiling tiles and other water damaged areas
4. Laboratory repairs to Hurst Research Center
5. Interior painting and exterior stucco repairs to Hurst Research Center
6. Construct Dining/Hospital Facility for Nutrition and Food Mgt. Project at Staley Hall
7. Upgrade electrical at Staley Hall
8. Renovate auditorium in Staley Hall, including replacing seats, upgrade lighting, replace finishes, and upgrade telecommunications system.

Recommendation:

Staff recommends approval of this project as proposed.

S.C. State University

Campus-wide Performance

Contract \$ 2,000,000 - establish project

Source of Funds: \$ 2,000,000 - utilities savings

Description:

SC State requests approval to do a Request for Proposals (RFP) for a campus-wide energy management contract. This contract would be for the upgrade and replacement of HVAC units, motors and controls, water conservation measures, and lighting improvements. It is estimated that the pay-back on the contract would be approximately \$200,000 per year over a period of seven to ten years. The purpose of the RFP is to obtain proposals from energy contractors who will conduct a comprehensive review of the institution’s facilities to determine where energy saving improvements can be made. If the proposal is accepted by SC State and State Procurement, the contractor agrees to fund and make these improvements, guaranteeing that the resulting savings will cover the cost of the improvements over the life of the contract. If savings are not sufficient to cover the cost of the improvements, the contractor will lose the difference. If the savings are greater than the cost of the improvements, the institution will receive the full benefit of the energy savings after the break-even point is reached.

The benefit to an institution is that it is not required to provide an initial outlay of funds, is not responsible for the cost if the contractor does not fulfill its guarantee, and will receive the full benefit

Garretts in the Clemson Shopping Center. The lease will have an initial 5-year term beginning in June 2002 and ending in May 2007. The annual rate is \$104,500. The Clemson University department is responsible for the rental payment as well as all related utility costs. Fund source will be state appropriated money. The lease allows for three options to renew, two years each.

Recommendation:

Staff recommends approval of this project as proposed, provided the Leasing Office of the Budget and Control Board finds the rates and terms of the lease acceptable.