

DESCRIPTION OF INTERIM CAPITAL PROJECT FOR CONSIDERATION

October 5, 2017

MEDICAL UNIVERSITY OF SOUTH CAROLINA

PROJECT NAME: Storm Eye Institute Chiller Replacement

REQUESTED ACTION: Establish Project (Phase I)

REQUESTED ACTION AMOUNT: \$37,500

Internal Projected Cost: \$2,500,000

PREVIOUS CHE ACTIONS: N/A

DESCRIPTION:

MUSC requests to establish a project to replace two failing air chillers on the roof of the Storm Eye Institute. One chiller has completely failed and the other is operating at 50% capacity. As part of the replacement project, the University will be enclosing the cooling towers and pumps to protect the systems from outside elements. The chillers were last replaced in the 1990s and have met the end of their useful lives.

This project was identified as a priority during the most recent CIP submission, and is included as part priority number one for 2017-18, which addresses \$4m in deferred maintenance on campus. The funds for this project were identified and committed in entirety during the 2017-2018 budget process.

E&G MAINTENANCE NEEDS:

The overall building score in 2014 was 77. The project will address the cooling system, which had an overall system average of 2.25.

ADDITIONAL ANNUAL OPERATING COSTS/SAVINGS:

Anticipated savings cannot be quantified at this time, but it is estimated that there will be no change.

FOR DEPARTMENT USE ONLY	
CHE	_____
JBRC	_____
SFAA	_____
JBRC Staff	_____
ADMIN Staff	_____
A-1 Form Mailed	_____
SPIRS Date	_____
Summary	_____

(For Department Use Only)
SUMMARY NUMBER
FORM NUMBER

PERMANENT IMPROVEMENT PROJECT REQUEST

1. AGENCY H51 Name Medical University of South Carolina
 Code _____ Name _____
 Contact Person Philip S. Mauney Phone 843-792-2490

2. PROJECT Name Storm Eye Institute Chiller Replacement
 Project # _____ Name _____
 Facility # 650 Facility Name Storm Eye Institute

County Code	10 - Charleston
New/Revised Budget	\$37,500.00

Project Type	4 - Replace Existing Facilities/Systems
Facility Type	2 - Program/Academic

3. CPIP PROJECT APPROVAL FOR CURRENT FISCAL YEAR
 CPIP priority number 1 of 4 for FY 2018.

4. PROJECT ACTION PROPOSED (Indicate all requested actions by checking the appropriate boxes.)

Establish Project	<input checked="" type="checkbox"/>	Decrease Budget	<input type="checkbox"/>	Close Project	<input type="checkbox"/>
Establish Project - CPIP	<input type="checkbox"/>	Change Source of Funds	<input type="checkbox"/>	Change Project Name	<input type="checkbox"/>
Increase Budget	<input type="checkbox"/>	Revise Scope	<input type="checkbox"/>	Cancel Project	<input type="checkbox"/>

5. PROJECT DESCRIPTION AND JUSTIFICATION
 (Explain and justify the project or revision, including what it is, why it is needed, and any alternatives considered.
 Attach supporting documentation/maps to fully convey the need for the request.)

This project will replace two existing failing air cooled chillers on the roof of the Storm Eye Institute. One existing 200 ton chiller has completely failed. The second existing 350 ton chiller has partially failed and currently can only operate at 50% capacity. These chillers will be replaced with one 600 ton water cooled chiller including associated cooling towers and pumps. The new chiller and tower water pumps will be located in an enclosure to protect them from outside elements. This request is for approval to proceed with phase 1 schematic design.

6. OPERATING COSTS IMPLICATIONS
 Attach Form A-49 if any additional operating costs or savings will result from this request. This includes costs to be absorbed with current funding.

7. ESTIMATED PROJECT SCHEDULE AND EXPENDITURES
 Estimated Start Date: October 2017 Estimated Completion Date: June 2019
 Estimated Expenditures: Thru Current FY: \$37,500.00 After Current FY: _____

8. ESTIMATES OF NEW/REVISED PROJECT COSTS

PROJECT #	
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1. _____ Land Purchase ---->
2. _____ Building Purchase ---->
3. 37,500.00 Professional Services Fees
4. _____ Equipment and/or Materials ---->
5. _____ Site Development
6. _____ New Construction ---->
7. _____ Renovations - Building Interior ---->
8. _____ Renovations - Utilities
9. _____ Roofing - _____ Roof Age
10. _____ Renovations - Building Exterior
11. _____ Other Permanent Improvements
12. _____ Landscaping
13. _____ Builders Risk Insurance
14. _____ Other Capital Outlay
15. _____ Labor Costs
16. _____ Bond Issue Costs
17. _____ Other: _____
18. _____ Contingency

Land: _____ Acres
 Floor Space: _____ Gross Square Feet
 Information Technology _____
 Floor Space: _____ Gross Square Feet
 Floor Space: _____ Gross Square Feet

ENVIRONMENTAL HAZARDS	
Identify all types of significant environmental hazards (including asbestos, PCB's, etc..) present in the project and the financial impact they will have on the project. Type: _____	
Cost Breakdown	
Design Services	\$ _____
Monitoring	\$ _____
Abate/Remed	\$ _____
Total Costs	\$ 0.00

\$37,500.00 TOTAL PROJECT BUDGET

9. PROPOSED SOURCE OF FUNDING

Source	Previously Approved Amount	Increase/Decrease	Original/Revised Budget	Transfer to/from Proj. #	Rev Object Code	Treasurer's ID Number	Rev Sub Fund	Exp Sub Fund
(0) CIB, Group			0.00 0.00		8115		3043	3043
(1) Dept. CIB, Group			0.00 0.00		8115		3143	3143
(2) Institution Bonds			0.00 0.00					3235
(3) Revenue Bonds			0.00 0.00					3393
(4) Excess Debt Service			0.00 0.00					3497
(5) Capital Reserve Fund			0.00 0.00		8895		3603	3603
(6) Appropriated State			0.00 0.00		8895	68800100	1001	3600
(7) Federal			0.00 0.00			78800100		5787
(8) Athletic			0.00 0.00			88800100		3807
(9) Other (Specify) Institutional DM		37,500.00	37,500.00 0.00 0.00		2802	98800100	3035	3907
TOTAL BUDGET	\$0.00	\$37,500.00	\$37,500.00	#1 on FY18 Capital Budget				

10. SUBMITTED BY:



 Signature of Authorized Official and Title

August 28, 2017

 Date

11. APPROVED BY:

(For Department Use Only) _____
 Authorized Signature and Title

 Date

**ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS
RESULTING FROM PERMANENT IMPROVEMENT PROJECT**

1. AGENCY Code H51 Name Medical University of South Carolina

2. PROJECT Project # _____ Name Storm Eye Institute Chiller Replacement

3. ADDITIONAL ANNUAL OPERATING COSTS / SAVINGS. (Check whether reporting costs or savings.)

COSTS SAVINGS NO CHANGE

4.

TOTAL ADDITIONAL OPERATING COSTS / SAVINGS				
Projected Financing Sources				
(1)	(2)	(3)	(4)	(5)
Fiscal Year	General Funds	Federal	Other	Total
1)	\$	\$	\$	\$ 0.00
2)	\$	\$	\$	\$ 0.00
3)	\$	\$	\$	\$ 0.00

5. If "Other" sources are reported in Column 4 above, itemize and specify what the other sources are (revenues, fees, etc.).

6. Will the additional costs be absorbed into your existing budget? YES NO
If no, how will additional funds be provided?

7. Itemize below the cost factors that contribute to the total costs or savings reported above in Column 5 for the first fiscal year.

	<u>COST FACTORS</u>	<u>AMOUNT</u>
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
	TOTAL	\$0.00

8. If personal services costs or savings are reported in 7 above, please indicate the number of additional positions required or positions saved. _____

9. Submitted By:  8/28/2017
Signature of Authorized Official and Title Date

**PERMANENT IMPROVEMENT PROJECT INFORMATION FORMAT
FOR PHASE I A&E PRE-DESIGN PROJECTS**

1. What is the internal projected cost of the project?

\$2,500,000

2. What is/are the source(s) of funds to be used for A&E pre-design?

Investment Fund - Deferred Maintenance

3. What is your agency/institution's definition of the source(s) of funds used for the A&E pre-design? (Please be specific for each source and if there is a statutory authority authorizing the use of the funds for capital projects for the source, please cite the code section. If a source includes any type of fee, what is the fee called, what is the fee amount and when was it put in place?)

Investment Fund - Deferred Maintenance. The University adopted RCM (Responsibility Centered Management) in fiscal year 2013 as the budget model. This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance. The source of funding varies each year and is dependent on what each college has identified as available funding.

4. What is the current fund balance of uncommitted funds in the source of funds for A&E pre-design?

All funds in the account were committed to deferred maintenance projects during FY18 capital budget process.

5. What is the source(s) of funds to be used for construction?

Investment Fund – Deferred Maintenance

6. What is your agency/institution's definition of the source(s) of funds to be used for construction? (Please be specific for each if different from those in 3 above. If there is statutory authority authorizing the use of the funds for capital project, please cite the code section and if a source includes a fee, what is the fee called, what is the fee amount and when was it put in place?)

Investment Fund - Deferred Maintenance. The University adopted RCM (Responsibility Centered Management) in fiscal year 2013 as the budget model. This budgeting model allocates all state appropriations and tuition/fees to the colleges and allocates all grant indirect cost recoveries to the grantee's college or unit. MUSC does not charge a separate plant improvement fee to the students. Under RCM, a Strategic Investment Fund has been created based on a percentage tax on certain college revenue streams. Approximately \$4 million of the Strategic Investment Fund retained by central administration is used to fund facilities and deferred maintenance. The source of funding varies each year and is dependent on what each college has identified as available funding.

7. What is the current fund balance of uncommitted funds in each source to be used for construction?

All funds in the account were committed to deferred maintenance projects during FY18 capital budget process.

8. Will the use of any funds for A&E pre-design or for construction require an increase in any student fee or tuition?

NO

9. If the use of any funds for A&E pre-design or construction will require any student fee or tuition increase, please explain and include the amount of the fees annually or by semester, what the fee is called and when it was put in place.

Not Applicable, there will be no fee or tuition increase due to this project

10. What is the total square footage of the building to be renovated or constructed?

92,605

11. If a portion of the building is to be renovated, what is the square footage of the portion that will be included in the renovation?

Not Applicable, Equipment Replacement

12. What program(s) will use the space to be renovated/constructed?

Not Applicable, Equipment Replacement

13. What is the current age of the building to be renovated?

42 years old

14. What is the current age of the building system(s) to be renovated or replaced?

20+ years old

15. If any new space is being added to the facility, please provide demand/usage data to support the need.

No new space being added

16. If the A&E pre-design request is above 1.5% of the internal estimated cost of the project, what is the reason the amount exceeds 1.5%?

Not applicable

17. What are the estimated numbers of students, faculty, staff and/or clients that are expected to use the space affected by the project or for the entire building? (Answer for as many as are applicable.)

Not applicable, equipment replacement

18. Has the project been included in a previous year's CPIP? If so, what was the last year the project was included and for which year, 1-5?

Yes, FY18 year 1

19. What are the economic impacts of the project, including job creation and retention? If there are none, please explain.

This project will create/retain approximately 10 construction/engineering jobs during implementation. Since the chillers are critical to the operation of the HVAC system, the major economic impact is continued operation of a major facility

20. How will your agency/institution address and fund maintenance of this facility construction/renovation?

Since this is a replacement of existing equipment in an existing facility, the maintenance support structure is already in place.

21. If your agency/institution has a deferred maintenance account, what is the name of the account and what is its current uncommitted balance?

Yes, the name of the account is "Investment Fund-Deferred Maintenance." All funds in the account were committed to deferred maintenance projects during the FY18 capital budget process.

22. If how maintenance will be addressed and funded for this facility construction/renovation has not been determined yet, what steps are in place to begin to address how your agency/institution will fund maintenance to this and other agency/institution facilities?

Not Applicable