

Contact: Joan Racki

REGISTER OF UNIVERSITY OF NORTHERN IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Action Requested: Considering recommending to the Board:

1. Approval of the project description and budget (\$2,850,000) and utilization of Burns & McDonnell as the design consultant for the **Power Plant Air Regulation Compliance** project.
2. Authorization for the University to enter into a master lease financing agreement for up to \$5 million for the **Power Plant Air Regulations Compliance, Power Plant Boiler #3 Wall Panel Replacement** and **Power Plant Storage Facility** projects, subject to necessary approvals by the Board Office.

Executive Summary: The University requests approval of the project description and budget (\$2,850,000) for the **Power Plant Air Regulation Compliance** project to comply with new environmental regulations and the continued use of Burns & McDonnell as the design consultant for the project. Since the firm of Burns & McDonnell is very knowledgeable of the project, having worked on the preliminary design and air regulation compliance testing, the University believes that considering another design professional at this time would increase costs and delay the project. (The location of the Power Plant is shown on Attachment A.)

The University also requests authorization to enter into a master lease financing agreement for up to \$5 million to finance this project and the **Power Plant Boiler #3 Wall Panel Replacement** and **Power Plant Storage Facility** projects. Requests for approvals of these projects, the cost of which is estimated at less than \$2 million each, will be submitted to the Board Office for approval, consistent with Board policies. The master lease financing would be repaid from University utility budgets over a ten year period.

Details of Project:

Power Plant Air Regulation Compliance

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Environmental Strategies Study (Burns & McDonnell; Kansas City, MO)*	\$ 342,000	Mar. 2011	Not Required**
Project Description and Budget	2,850,000	June 2014	Requested
Continued Use of Burns & McDonnell as Design Consultant		June 2014	Requested

*Study for three universities; firm selected based upon formalized consultant selection process.

**Approved by Executive Director consistent with Board policies.

The project would install equipment to address new, more stringent federal Environmental Protection Agency standards (Boiler MACT [Maximum Achievable Control Technology]). The regulations require compliance by January 31, 2016.

Project Budget

Construction	\$2,100,000
Planning, Design & Management	395,500
Contingency	<u>354,500</u>
TOTAL	<u>\$2,850,000</u>

Source of Funds: Master Lease Financing repaid from University utility budgets over 10 year period

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