

Contact: Joan Racki

REGISTER OF IOWA STATE UNIVERSITY
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Action Requested: Consider recommending approval of the revised project budget (\$42,000,000) for the **Utilities – Stoker Boiler Replacement** project.

Executive Summary:

The University requests approval of a revised project description and budget (\$42,000,000, an increase of \$4,000,000) for the **Utilities –Stoker Boiler Replacement** project which is replacing three existing coal-fired stoker boilers with three new gas-fired package boilers. The boilers are being housed in a 20,000 gross square foot addition to the east side of the existing main power plant so that the power plant can continue to operate during the construction.

The University reports that a revised budget is needed due to redesign of the electrical distribution system, a higher than anticipated cost to purchase the three new package boilers and recent construction bids that were approximately 6.3% higher than the engineer's estimate. The project scope cannot be reduced without significantly impacting the functionality and the operating reliability of the power plant.

Details of the Project:

Utilities – Stoker Boiler Replacement

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Utilities – Environmental Strategies Study (Burns & McDonnell; Kansas City, MO	\$ 342,000	Mar. 2011	Not Required**
Schematic Design		Dec. 2012	Approved
Project Description and Budget	38,000,000	Dec. 2012	Approved
Continued Use of Burns & McDonnell as Design Consultant		Dec. 2012	Approved
Final Review and Consideration of Capital Project Evaluation Criteria		Dec. 2012	Received Report
Design Professional Agreement	3,121,000	Feb. 2013	Not Required*
Design Professional Agreement Amendments	(45,433)	Dec. 2013 April 2014	Not Required*
Demolition Construction Contract (Brandenburg Industrial Service Co; Chicago)	1,710,000	June 2013	Not Required*
General Construction Contract (Frank Lill & Son, Inc; Victor, NY)	21,239,897	June 2014	Not Required*

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

**Approved by Executive Director consistent with Board policies.

The revised budget of \$42,000,000, an increase of \$4,000,000, reflects the following:

- Additional costs to redesign the 15kV electrical distribution system.
- Additional costs to purchase three gas-fired package boilers.
- Additional construction costs to complete a functional, reliable boiler power plant.

Project Budget

	Initial Budget <u>(Dec. 2012)</u>	Revised Budget <u>(Aug. 2014)</u>
Construction	\$32,547,500	\$37,058,100
Planning, Design & Management	3,759,080	4,345,000
Contingency	<u>1,693,420</u>	<u>596,900</u>
TOTAL	<u>\$38,000,000</u>	<u>\$42,000,000</u>
Source of Funds:		
Utility Revenue Bonds	<u>\$38,000,000</u>	<u>\$42,000,000</u>
TOTAL	<u>\$38,000,000</u>	<u>\$42,000,000</u>
