Agenda Item No. 3.2

AGENDA ITEM BRIEFING

Submitted by: Michael K. Young, President

Texas A&M University

Subject: Approval of the Project Scope and Budget, Appropriation for Construction Services and

Approval for Construction for the Combined Heat and Power System Maintenance

Project, Texas A&M University, College Station, Texas (Project No. 1-2017)

Background and Prior Actions:

The Combined Heat and Power System Maintenance Project was included as an approved project on the A&M System FY 2018-FY 2022 Capital Plan approved by the Board of Regents at the August 2017 meeting.

Proposed Board Action:

(1) Approve the project scope and budget.

- (2) Appropriate \$4,776,750 for construction services and related project costs. \$530,750 has been previously appropriated.
- (3) Approve construction of the Combined Heat and Power System Maintenance Project at Texas A&M University.

Funding/Budget Amount:

Funding Source	Budget Amount	Average Estimated Annual <u>Debt Service</u>	Debt Service Source
Cash (Utility Revenue)	\$5,307,500	N/A	N/A
Total Project Funds	<u>\$5,307,500</u>		

Project Justification:

This project will meet the 50,000-hour preventive maintenance requirement for the 32 MW Combined Heat and Power System. This work is required to ensure availability and reliability of the system.

Scope:

This project will include a complete overhaul of the LM2500+ G4 DLE Gas Turbine. It will involve full disassembly of the engine into parts, inspection, disposition of parts, parts repair, part replacement, assembly of the engine and test cell evaluation. The project also includes the removal of the gas turbine, shipment to a maintenance facility and preventive maintenance on the electrical generator.

Construction on this project is scheduled to start in March 2018 with substantial completion scheduled for May 2018. The total project budget is \$5,307,500.

Other Major Fiscal Impacts:

None.

Agenda Item No. 3.2

TEXAS A&M UNIVERSITY

Office of the President September 6, 2017

Members, Board of Regents The Texas A&M University System

Subject: Approval of the Project Scope and Budget, Appropriation for Construction

Services, and Approval for Construction for the Combined Heat and Power System Maintenance Project, Texas A&M University, College Station, Texas

(Project No. 1-2017)

I recommend adoption of the following minute order:

"The project scope along with a project budget of \$5,307,500 for the Combined Heat and Power System Maintenance Project is approved.

The amount of \$4,776,750 is appropriated from Account No. 02-870160, UEM Renewal & Replacement, for construction services and related project costs.

The Combined Heat and Power System Maintenance Project, Texas A&M University, College Station, Texas, is approved for construction."

Respectfully submitted,

[ORIGINAL SIGNED BY]

Michael K. Young

President

Approval Recommended: Approved for Legal Sufficiency:

[ORIGINAL SIGNED BY] [ORIGINAL SIGNED BY]

John Sharp Ray Bonilla Chancellor General Counsel

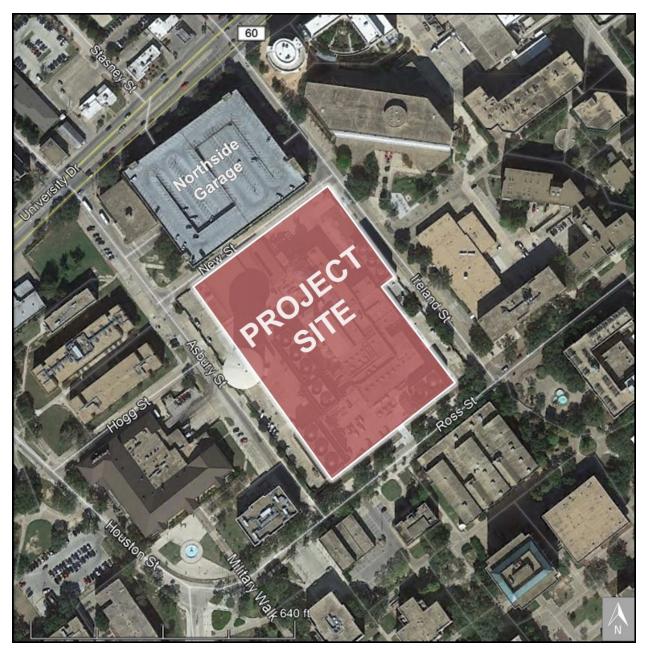
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Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

CO	MBINED HEAT AND POWER SYSTEM MAINTENANCE PROJE	ECT BUDGET		
TEXAS A&M UNIVERSITY				
PRO	OJECT NO. 01-2017			
1.	Amount Available for Construction Contract	\$4,500,000		
2.	Campus Services	\$ 25,000		
3.	Other Services	\$ 300,000		
4.	Contingency	\$ 482,500		
5.	TOTAL ESTIMATED COST OF PROJECT	\$5,307,500		

COMBINED HEAT AND POWER SYSTEM MAINTENANCE PROJECT SCHEDULE TEXAS A&M UNIVERSITY PROJECT NO. 01-2017

1.	Advertise for Competitive Sealed Proposals (CSPs)	August 2017
2.	Receive and Evaluate CSPs	September 2017
3.	Board of Regents Approval for Construction	October 19, 2017
4.	Notice to Proceed with Construction	March 1, 2018
5.	Substantial Completion/Start Up	May 30, 2018



Combined Heat and Power Maintenance System

Texas A&M University

Project No. 1-2017