

**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:**

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Cash (Utility Revenue)	<u>\$5,307,500</u>	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]**

John Sharp  
Chancellor

**[ORIGINAL SIGNED BY]**

Ray Bonilla  
General Counsel

**[ORIGINAL SIGNED BY]**

Billy Hamilton  
Executive Vice Chancellor and  
Chief Financial Officer

<b>COMBINED HEAT AND POWER SYSTEM MAINTENANCE</b>	<b>PROJECT BUDGET</b>
<b>TEXAS A&amp;M UNIVERSITY</b>	
<b>PROJECT NO. 01-2017</b>	

1.	Amount Available for Construction Contract.....	\$4,500,000
2.	Campus Services .....	\$ 25,000
3.	Other Services.....	\$ 300,000
4.	Contingency .....	<u>\$ 482,500</u>
5.	TOTAL ESTIMATED COST OF PROJECT.....	<u>\$5,307,500</u>

<b>COMBINED HEAT AND POWER SYSTEM MAINTENANCE</b>	<b>PROJECT SCHEDULE</b>
<b>TEXAS A&amp;M UNIVERSITY</b>	
<b>PROJECT NO. 01-2017</b>	

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**