

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 Campus Electrical Systems Improvements Project, Texas A&M University, College Station, Texas (Project No. 02-2016)

Background and Prior Actions:

The Campus Electrical Systems Improvements Project was included as an approved project on the A&M System FY 2017-FY 2021 Capital Plan approved by the Board of Regents at the September 2016 meeting.

Proposed Board Action:

- (1) Approve the project scope and budget.
- (2) Appropriate \$8,049,750 for construction services and related project costs; \$894,000 has been previously appropriated.
- (3) Approve construction of the Campus Electrical Systems Improvements Project at Texas A&M University (Texas A&M).

Funding/Budget Amount:

<u>Funding Source</u>	<u>Budget Amount</u>	<u>Average Estimated Annual Debt Service</u>	<u>Debt Service Source</u>
Revenue Financing System Debt Proceeds	<u>\$8,943,750</u>	\$694,458	Utility Revenue
Total Project Funds	<u>\$8,943,750</u>		

Project Justification:

This project will improve the electrical distribution system by replacing/upgrading existing feeders and equipment and installing new equipment and systems for better distribution, greater reliability, and improved safety.

Scope:

The project will replace undersized and aging equipment at the Agronomy Road Substation, replace aging feeders, and convert several pole-mounted feeders to underground service for improved reliability. Access platforms and ladders will be installed at emergency generator locations to improve access safety. Switchgear and distribution switches will be replaced to

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remediate short circuit current exceedances and upgrade equipment at the end of useful life. Other improvements include improving power manhole vault pumping systems, improving relay coordination, and upgrading campus electrical monitoring and modeling to ensure high reliability and support the latest improvements. Maps showing the location of major elements of the project are included as an attachment.

Construction on this project is scheduled to start in September 2018 with substantial completion scheduled for August 2020. The total project budget is \$8,943,750.

Other Major Fiscal Impacts:

None.

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TEXAS A&M UNIVERSITY

Office of the President

June 22, 2018

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 Campus Electrical Systems Improvements Project, Texas A&M University, College Station, Texas (Project No. 02-2016)

I recommend adoption of the following minute order:

“The project scope along with a project budget of \$8,943,750 for the Campus Electrical Systems Improvements Project is approved.

The amount of \$8,049,750 is appropriated from Account No. 01-083540, Revenue Financing System Debt Proceeds (Utility Revenue), for construction services and related project costs.

The Campus Electrical Systems Improvements Project, Texas A&M University, College Station, Texas, is approved for construction.

The Board of Regents of The Texas A&M University System (Board) reasonably expects to incur debt in one or more obligations for this project, and all or a portion of the proceeds received from the sale of such obligations is reasonably expected to be used to reimburse the account(s) for amounts previously appropriated and/or expended from such account(s).

As required by Section 5(a) of the Master Resolution of the Revenue Financing System, the Board hereby determines that it will have sufficient funds to meet the financial obligations of The Texas A&M University System, including sufficient Pledged Revenues to satisfy the Annual Debt Service Requirements of the Revenue Financing System and to meet all financial obligations of the Board relating to the Revenue Financing System and that

the Participants, on whose behalf the debt is issued, possess the financial capacity to satisfy their Direct Obligations.”

Respectfully submitted,

[ORIGINAL SIGNED BY]

Michael K. Young
President

Approval Recommended:

**[ORIGINAL SIGNED BY
Billy Hamilton FOR]**

John Sharp
Chancellor

Approved for Legal Sufficiency:

[ORIGINAL SIGNED BY]

Ray Bonilla
General Counsel

[ORIGINAL SIGNED BY]

Billy Hamilton
Executive Vice Chancellor and
Chief Financial Officer

CAMPUS ELECTRICAL SYSTEMS IMPROVEMENTS TEXAS A&M UNIVERSITY PROJECT NO. 02-2016	PROJECT BUDGET
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1.	Amount Available for Construction Contract.....	\$7,519,291
2.	Owner Contingencies	\$447,000
3.	A/E Fees	\$753,865
4.	Project Management	<u>\$223,594</u>
5.	TOTAL ESTIMATED COST OF PROJECT.....	<u>\$8,943,750</u>

1. Issue A/E RFQ November 8, 2016
2. RFQ Due November 29, 2016
3. Execute A/E Agreement May 14, 2017
4. Project Kickoff May 19, 2017
5. 100% SD Review July 21, 2017
6. 100% DD Review January 16, 2017
7. 100% CD Review May 18, 2018
8. Complete Construction Documents June 18, 2018
9. Advertise for Competitive Sealed Proposals (CSP)..... June 21, 2018
10. Receive CSP's..... August 8, 2018
11. Complete CSP Evaluation..... August 10, 2018
12. Board of Regents Approval for Construction August 16, 2018
13. Notice to Proceed with Construction September 3, 2018
14. Substantial Completion August 31, 2020

**TEXAS A&M UNIVERSITY
REVENUE FINANCING SYSTEM
Campus Electrical Systems Improvements
Utility Revenue**

Dates	Outstanding Principal	Principal Amount	Interest Amount	Annual Total	Coverage 1.15x
BONDS	9,035,000.00				
YEAR 1	8,745,000.00	290,000.00	406,575.00	696,575.00	801,061.25
YEAR 2	8,445,000.00	300,000.00	393,525.00	693,525.00	797,553.75
YEAR 3	8,130,000.00	315,000.00	380,025.00	695,025.00	799,278.75
YEAR 4	7,800,000.00	330,000.00	365,850.00	695,850.00	800,227.50
YEAR 5	7,455,000.00	345,000.00	351,000.00	696,000.00	800,400.00
YEAR 6	7,095,000.00	360,000.00	335,475.00	695,475.00	799,796.25
YEAR 7	6,720,000.00	375,000.00	319,275.00	694,275.00	798,416.25
YEAR 8	6,330,000.00	390,000.00	302,400.00	692,400.00	796,260.00
YEAR 9	5,920,000.00	410,000.00	284,850.00	694,850.00	799,077.50
YEAR 10	5,490,000.00	430,000.00	266,400.00	696,400.00	800,860.00
YEAR 11	5,045,000.00	445,000.00	247,050.00	692,050.00	795,857.50
YEAR 12	4,580,000.00	465,000.00	227,025.00	692,025.00	795,828.75
YEAR 13	4,090,000.00	490,000.00	206,100.00	696,100.00	800,515.00
YEAR 14	3,580,000.00	510,000.00	184,050.00	694,050.00	798,157.50
YEAR 15	3,045,000.00	535,000.00	161,100.00	696,100.00	800,515.00
YEAR 16	2,490,000.00	555,000.00	137,025.00	692,025.00	795,828.75
YEAR 17	1,910,000.00	580,000.00	112,050.00	692,050.00	795,857.50
YEAR 18	1,300,000.00	610,000.00	85,950.00	695,950.00	800,342.50
YEAR 19	665,000.00	635,000.00	58,500.00	693,500.00	797,525.00
YEAR 20	-	665,000.00	29,925.00	694,925.00	799,163.75
		<u>\$ 9,035,000.00</u>	<u>\$ 4,854,150.00</u>	<u>\$ 13,889,150.00</u>	<u>\$ 15,972,522.50</u>

Estimated issuance costs and rounding of \$91,250 are included in this schedule.
Long-term rates are assumed to be 4.50%. Rates are subject to market change.
Prepared by the Office of the Treasurer - Treasury Services 6/8/18

Rates are subject to market change. Amounts are preliminary estimates that will be revised at the time bonds are issued.

