Item IV – Transfer of On-site Natural Gas Distribution System

PRESENTED BY

Angela M. Poole CPA, Vice President Finance and Administration/CFO

and

Sameer Kapileshwari P.E., Associate Vice President for Facilities
Florida Agricultural and Mechanical University
Transfer of On-site Natural Gas Distribution System

Background:
In 2012 Florida Agricultural and Mechanical University (FAMU) participated in partial steam decentralization project with the City of Tallahassee to provide design, installation, and inspection services for campus wide natural gas distribution systems including, terminating old metering station and installation of new metering station.

This project resulted in all natural gas lines on the University’s side of the newly installed main gas meter to exclusively serve University owned facilities.

Objective:
Staff requests an approval of agreement with the City of Tallahassee to transfer the on-site natural gas distribution system to the Florida Agricultural and Mechanical University.
Transfer of On-site Natural Gas Distribution System

History of FAMU Performance Contracting:

• Phase I (2009) – Included lighting retrofits, piping upgrades, and piping insulation

• Phase II (2012) – FAMU contracted with Siemens to implement a Phase II energy performance contract resulting in approximately $1.2 million in guaranteed annual energy savings.
Transfer of On-site Natural Gas Distribution System

Phase II project scope included:

Work Performed by Siemens –
• Installation of decentralized high efficiency hot water boilers and one steam boiler at 21 buildings

Work Performed by City of Tallahassee –
• Design & engineering,
• Gas main and service construction,
• Terminating old metering station,
• Installation of new metering station,
• Isolation of gas system for university, and
• Annual maintenance services
Transfer of On-site Natural Gas Distribution System

Cost Analysis of Transfer

Centralized Approach

• Based on current usage, cost is $156,548 at $.093/hundred cubic feet

• Continuous maintenance agreement at $3,000/year with the City for summer and winter surveys, visual inspections, testing, operational verification, and repair identification

• Any necessary repairs would be performed at $20/hour

Distributed Approach

• Based on current usage, would be estimated to cost $1,010,096 at $.602/hundred cubic feet
Transfer of On-site Natural Gas Distribution System

Request – Transfer City of Tallahassee (City) on-site natural gas distribution system to Florida Agricultural and Mechanical University (FAMU) in order to continue receiving a more cost effective gas rate, using the centralized metering approach at the large commercial rate of $0.093/hundred cubic feet.

Transfer Agreement –

• This agreement allows for the ownership transfer of the rights, titles, and interests of the campus gas distribution system including all pipes, valves, fittings, and easements to the University

• FAMU will assume responsibilities for operations, maintenance, repairs to the system
Thank you

Questions?
Item V – Separation of Duties and Internal Assessment

PRESENTED BY

Trustee Kimberly Moore, Chair – Facilities Planning Committee

Florida Agricultural and Mechanical University
Research Steps

1. Ascertained the need for creation of new Facilities division
2. Review of professional services
3. Review of current vacancies
4. Analysis Summary and Recommendations
Analysis Summary

- State University System (SUS) analysis did not indicate any organizational structures with a separate Vice President (VP) for Capital Planning & Facilities
- The prior Chief of Staff’s (COS) proposed organizational structure appears to be based on large projects and growth that are not likely to materialize simultaneously
- The proposed in-house design and real estate services could increase the University’s liabilities and may require additional coverage for professional insurance
Analysis Summary

• Prudent outsourcing is a best practice.
  – Procure industry expertise as needed for to offer greater flexibility, mitigate risks, and reduce salary and fringe expenses

• Outside professional service contracts:
  – Having one in-house University Architect position will not suffice to eliminate all outsourced professional services
  – Current Real Estate needs may not warrant a full time position
Next Steps

• Provide all project management and planning staff training associated with industry best practices and established processes
• Rather than adding three new executive positions, we recommend four professional positions
• Recommended positions (to be accommodated within the current budget with existing vacancies) include:
  – Senior Project Manager to focus on major projects
  – Senior Planner for campus master planning, capital improvement planning, and space planning initiatives
  – Minor projects manager to increase productivity/cycle time of minor projects
  – Business Operations Director to manage construction accounting, general accounting and operations management
Thank you

Questions?
Item VI – Center for Access and Student Success (CASS)

PRESENTED BY

Angela M. Poole CPA, Vice President Finance and Administration/CFO

and

Sameer Kapileshwari P.E., Associate Vice President for Facilities
Florida Agricultural and Mechanical University
Background:
The FAMU Center for Access and Student Success (CASS) is designed to be a multipurpose building serving as a one-stop shop for recruitment, admissions, financial aid, registrar, student accounts, Center for Disability Access and Resources, Undergraduate Student Success Center. It will also have computer labs, study space, and student meeting space.

This project will enhance academic progression and contribute towards students’ overall health, wellness and safety.

Objective:
- To provide an update on the status of activities
Existing Service Locations

Legend:
Black – existing service locations
Blue – currently proposed location
Elevation of New CASS Building

Front Elevation
Facing East

Rear Courtyard
Facing West
CASS Building Project Information

Total Requested: $39,355,000

Less:

PECO allocations received 2014-15: (6,155,000)
P ECO allocations received 2015-16: (6,500,000)

Remaining Balance Needed: $26,700,000

Current Status:

• $2M encumbered for Professional Fees (A/E - JRA Architects)
• $10.6M allocated for Preconstruction, Demolition, Site work (CM – Ajax Corp.)
• Construction Audit Firm selected - (Carr, Riggs, Ingram CRI)
Design Status

University Project Number: BRFM-337
Vendor: JRA
Project Title: FAMU- CASS Building

Project Schedule

• Conceptual Schematic Design April 2016
• Advanced Schematic Design May 2016
• Design Development October 2016
• Site work November 2016
• Structural Work January 2017
• Substantial Completion Summer 2018
Return on Investment

Expected Outcomes (after completion of the building):

- Improve first year retention rate of students by 5% from 81% to 86%
- Improve retention rate for students with GPA 2.0 and above from 70% to 80%
- Increase in graduation rate by 23% from 39% to 62%
- Expand outreach with increased number of student contacts for academic services by 10% from 82,000 to 90,200
- Increase in counseling services and visits to students by 10% from 4,849 to 5,334
- Greater visibility and access to student affairs administrators
- Enhanced ability to recruit world class students
- Improvement in customer service for students, parents and alumni and shorten wait times and streamline transaction processes
Potential Sites for CASS Building
Advantages of Current Site

**Advantages:**

- Project has been approved and partially supported with PECO funds
- Student Center is located in the center of the Campus, which provides better accessibility for students
- New building can be blended with the proposed P3 project to upgrade the entire site
- Close proximity to Lee Hall and Foote-Hilyer (all administrative services)
- Schematic Design is complete and Design Development is nearing completion
Disadvantages of Current Site

Disadvantages:
- Would need to identify additional parking spaces near the center of campus
- Historic preservation requirements limit available programmatic space for Health Center, Career center, etc.
- Due to the topography of the site, current cost estimate range of $900,000 to $2,000,000 for infrastructure, storm water, steep variant of slope, etc.
Advantages of Proposed Site(s)

Advantages:
• A cleared site would save on demolition costs
• A flatter site could save the estimated topography costs associated with current site
• More flexibility to accommodate all necessary programs
• Larger site can provide space for parking and storm water management
• Location closer to water and sewer lines, which are up to current codes would save on upgrades in infrastructure
Disadvantages of Proposed Site(s)

Disadvantages:
• Would incur additional design costs
• May require additional site work, additional utility analyses and upgrades impacting schedule and cost
• New testing and survey could have cost and schedule impacts
• Starting over will delay project by several months
Cost Impact due to Change in Site

Funds expended to date include:

• Professional Fees (A/E - JRA Architects) $476,507
• Asbestos & Lead-based Paint Survey and IT fiber relocation $ 42,392

Total funds expended to date: $518,899

• Estimated cost of potential site is likely to be comparable to existing project costs less funds expended to date due to topography related cost savings
• Management will conduct feasibility analysis on cost, site, and programing for a new location along with consideration for leveraging space for Student Union using existing allowable funds
Schedule Impact due to Change in Site

• Current Architect/Engineer and Construction Manager selections were based on McGuinn/Diamond site

• Change of site may require us to advertise for these services again. These selections of Architect/Engineer and Construction Manager could take up to 4 months

• Redesign of the schematic and site package could add another 4 to 6 months

• Substantial Completion could be delayed by up to one year (from Summer 2018 to Summer 2019)
Other Impacts of Site Change

• The update to the master plan would need to be updated to reflect the new site for CASS building. This could delay the master plan update by at least 90 days
• The change in location of CASS building will impact the sites for both Phases of P3
Recommendation

- Management recommends any further activity on the CASS building be suspended until the feasibility study and full review is complete.
- Management recommends the Public-Private Partnership (P3) process be suspended until further notice. Currently in Stage I of the ITN with only 2 responses.
Thank you

Questions?
Item VII – Status of Palmetto North Renovations and Close-out of DOE/HBCU Capital Financing Program

PRESENTED BY
Angela M. Poole CPA, Vice President Finance and Administration/CFO
and
Sameer Kapileshwari P.E., Associate Vice President for Facilities

Florida Agricultural and Mechanical University
FAMU is facing an urgent need to replace its aging housing facilities and infrastructure in the Pentaplex Complex and Palmetto North.

Management continues to explore various financing options to address its housing challenges including:

- Traditional Bonds
- Private financing/Public Private Partnerships (“P3”)
Stakeholder Engagement

Continuing dialogue and stakeholder engagement with:

- U.S. Department of Education (DOE-HBCU Capital Financing Program)
- Rice Financial Products Company (DOE designated bond authority)
- Florida Division of Bond Finance (Bond oversight for FL State agencies)
- Florida Board of Governors (Oversight and governance for all State University System of Florida)
- Bretwood Capital Partners LLC (Financial Analyst for FAMU)
- DAG Architects (Owner’s Architect for concept development)
- Internal team members – Senior leadership team, Finance and Administration, Student Affairs, University Housing, Facilities Planning Construction and Safety
FAMU is not able to participate in the DOE/HBCU Capital Financing Program at this time due to federal program requirements that are restricted by Florida statutes and guidelines.
Thank you

Questions?