B-1-13-2-23

PURDUE
UNIVERSITY

OFFICE OF THE EXECUTIVE VICE PRESIDENT FOR
BUSINESS AND FINANCE, TREASURER

March 30, 2013

The Honorable Michael R. Pence
Governor of the State of Indiana
State House
Indianapolis, IN 46204

Dear Governor Pence:

The financing and construction of the project, "Stewart Center Electrical Secondary Renovation" on the West Lafayette campus has been approved as required under the Bylaws of the Board of Trustees of Purdue University.

This project will replace a portion of the obsolete electrical equipment serving Stewart Center. The existing switchgear is aged and dangerous to operate. The project will bring the electrical system up to code and provide a safer working environment and more reliable system.

The estimated cost of this project is $1,212,011, to be funded from Repair and Rehabilitation – University General Funds.

Subject to review by the Commission for Higher Education and recommendation by the State Budget Committee and the Budget Agency, we request your approval to proceed with this project. Attached are the completed forms which the Commission has prescribed for its review of such projects. We will be happy to answer any questions you or your staff may have or to provide any additional information you may wish.

Sincerely,

A.V. Diaz
Executive Vice President for
Business and Finance, Treasurer

/bjm

Attachments

c: Jason Dudich, Associate Commissioner and Chief Financial Officer
Chris Atkins, State Budget Director
Mary Catherine Gaisbauer, Comptroller
Kevin Green, Assistant Director of Capital Planning

Hovde Hall, Room 230 ▪ 610 Purdue Mall ▪ West Lafayette, IN 47907-2040 ▪ (765) 494-9705 ▪ Fax: (765) 494-9062

PROJECT SUMMARY AND DESCRIPTION
STEWART CENTER ELECTRICAL SECONDARY RENOVATION

Institution:	Purdue University	**Budget Agency Project No.:**	B-1-13-2-23
Campus:	West Lafayette	**Institutional Priority:**	N/A
Previously approved by General Assembly:	No	**Previously recommended by CHE:**	No
Part of the Institution's Long-term Capital Plan:	No		

Project Summary Description:

Replace a portion of the obsolete electrical equipment (main switchgear and emergency power switchgear) serving Stewart Center. Existing switchgear is aged and dangerous to operate. Project will bring the electrical system up to code and provide a safer working environment and more reliable system.

Summary of the impact on the educational attainment of students at the institution:

N/A

Project Size:	N/A	GSF	N/A	ASF	N/A ASF/GSF
Net change in overall campus space:	N/A	GSF	N/A	ASF	

Total cost of the project (1):	$ 1,212,011	**Cost per ASF/GSF:**	N/A GSF N/A ASF
Funding Source(s) for project (2):	$ 1,212,011	Repair and Rehabilitation - University General Funds, derived from Student Fees designated for R&R, fund balance as of March 14, 2013 is $4,629,208	
Estimated annual debt payment (4):	N/A		
Are all funds for the project secured:	Yes		
Estimated annual change in cost of building operations based on the project:	$ -		
Estimated annual repair and rehabilitation investment (3):	$ 143,664		

(1) Projects should include all costs associated with the project (structure, A&E, infrastructure, consulting, FF&E, etc.)

(2) Be consistent in the naming of funds to be used for projects. If bonding, note Bonding Authority Year (1965, 1929, 1927, etc.)

(3) Estimate the amount of funding the institution would need to set aside annually to address R&R needs for the project. CHE suggests 1.5% of total construction cost

(4) If issuing debt, determine annual payment based on 20 years at 5.75% interest rate

- If project is a lease-purchase or lease, adjust accordingly. Note the total cost of the lease in the project cost, and annual payments in project description

PROJECT DETAILED DESCRIPTION - ADDITIONAL INFORMATION

STEWART CENTER ELECTRICAL SECONDARY RENOVATION

Institution:	Purdue University	**Budget Agency Project No.:**	B-1-13-2-23
Campus:	West Lafayette	**Institutional Priority:**	N/A

Description of Project

Replace a portion of the obsolete electrical equipment (main switchgear and emergency power switchgear) used to distribute power throughout Stewart Center. Existing switchgear is aged and dangerous to operate. Project will bring the electrical system up to code and provide a safer working environment and more reliable system. There are currently two service points to the building (West and Northeast Vaults) providing normal Purdue supplied power, and one switchgear providing emergency backup power from Duke Energy. The project is based on a study (by Nova Engineering) which provided cost opinions and different methods for switchgear replacement. It has been decided to "go with" the lowest cost option (replacing the gear "in-kind"). This option includes replacing the switchgear and the feeder wires. Total replacement costs are estimated to be $4,136,058. Funding for this project is limited to $1,212,011. Therefore, this project will require Nova Engineering to provide a phased plan for total gear replacement. Along with gear and feeder replacement, the project will also require the installation of Arc Flash mitigation breakers to reduce Arc Flash hazards to acceptable levels (2 or below).

This project is a component of the Universities Enterprise Risk Management; the R&R Program's mission is to provide a safe environment for our students, faculty, staff and visitors. This project will provide the necessary infrastructure for future renovations within the facility. University and state appropriations will be used to support future R&R needs.

Need and Purpose of the Program

The switchgear has been in service since 1955 and has become obsolete, making it difficult to find replacement parts. In a few locations switchgear has been exposed to water infiltration, causing futher deterioration. In additon, all switchgear has been identified as having a "high" arc flash hazard. This exposes Purdue maintenance personnel to dangerous working conditions while servicing and operating the equipment. Compeltion of this project will provide for a more reliable operating system and a safer working environment. If this project is not approved or recommended by the State, there will be a risk of failure as equipment deteriorates, resulting in an increased number of power outages and maintenance and operation costs will go up. Purdue employees will continue to be exposed to a dangerous working environment while servicing and operating equipment.

Space Utilization

No change to space utilization is anticipated.

Comparable Projects

N/A

Background Materials

N/A

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Stewart Center Electrical Secondary Replacement

Stewart Center Electrical Secondary Replacement B-1-13-2-23	Current Space in Use	Space Under Construction (1)	Space Planned and Funded (1)	Subtotal Current and Future Space	Space to be Terminated (1)	New Space in Capital Request (2)	Net Future Space
A. OVERALL SPACE IN ASF							
Classroom (110 & 115)	286,931	2,678	-	289,609	-	-	**289,609**
Class Lab (210,215,220,225,230,235)	542,507	9,134	-	551,641	-	-	**551,641**
Non-class Lab (250 & 255)	1,430,385	64,353	-	1,494,738	-	-	**1,494,738**
Office Facilities (300)	2,073,712	69,752	2,280	2,145,744	-	-	**2,145,744**
Study Facilities (400)	387,069	4,300	1,100	392,469	-	-	**392,469**
Special Use Facilities (500)	1,125,283	29,011	-	1,154,294	-	-	**1,154,294**
General Use Facilities (600)	830,745	26,623	8,620	865,988	-	-	**865,988**
Support Facilities (700)	3,014,043	4,610	-	3,018,653	-	(64)	**3,018,589**
Health Care Facilities (800)	82,007	-	-	82,007	-	-	**82,007**
Resident Facilities (900)	2,272,486	75,800	-	2,348,286	-	-	**2,348,286**
Unclassified (000)	51,600	-	-	51,600	-	-	**51,600**
B. OTHER FACILITIES							
(Please list major categories)	-	-	-	-	-	-	-
TOTAL SPACE	**12,096,768**	**286,261**	**12,000**	**12,395,029**	-	**(64)**	**12,394,965**

Notes:

(1) Identify in a footnote the specific facilities that are included in the data in these columns. Do not include pending approval, non-submitted projects or non-funded projects

(2) Should include capital projects requested by the institution based on 2013-15 Capital Request Summary

- Space/Room codes based on Postsecondary Ed Facilities Inventory and Classification Manual (2006)

Space under construction includes: BIND Addition, Center for Student Excellence and Leadership, Drug Discovery Facility, Herrick Laboratories, Lyles-Porter Hall, Vawter Field Housing, Seng-Liang Wang Hall

Space planned and funded includes: Bailey Hall

Space to be terminated includes:

CAPITAL PROJECT COST DETAILS
STEWART CENTER ELECTRICAL SECONDARY RENOVATION

Institution:	Purdue University	**Budget Agency Project No.:**	B-1-13-2-23
Campus:	West Lafayette	**Institutional Priority:**	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	Month	Year
Bid Date	June	2013
Start Construction	September	2013
Occupancy (End Date)	April	2014

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Cost Basis (1)	Estimated Escalation Factors (2)	Project Cost
Planning Costs			
a. Engineering			$ 90,000
b. Architectural			$ -
c. Consulting			$ -
Construction			
a. Structure			$ -
b. Mechanical (HVAC, plumbing, etc.)			$ -
c. Electrical			$ 957,760
Movable Equipment			$ -
Fixed Equipment			$ -
Site Development/Land Acquisition			$ -
Other (Please list)			$ 164,251
TOTAL ESTIMATED PROJECT COST	$ -	$ -	$ 1,212,011

(1) Cost Basis is based on current cost prevailing as of: (INSERT MONTH AND YEAR)

(2) Explain in the Description of Project Section of the "Cap Proj Details" schedule the reasoning for estimated escalation factors

CAPITAL PROJECT OPERATING COST DETAILS
STEWART CENTER ELECTRICAL SECONDARY RENOVATION

Institution:	Purdue University	**Budget Agency Project No.:**	B-1-13-2-23
Campus:	West Lafayette	**Institutional Priority:**	N/A

GSF OF AREA AFFECTED BY PROJECT N/A

ANNUAL OPERATING COST/SAVINGS (1)

	Cost per GSF	Total Operating Cost	Personal Services	Supplies and Expenses
1. Operations		$ -		
2. Maintenance		$ -		
3. Fuel		$ -		
4. Utilities		$ -		
5. Other		$ -		
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS	**N/A**	**N/A**	**N/A**	**N/A**

Description of any unusual factors affecting operating and maintenance costs/savings.

There will be no change in operating costs as a result of this project.

(1) Based on figures from "Individual Cap Proj Desc" schedule