



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

October 8, 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, "Qualified Energy Savings" on the North Central campus has been approved as required under the Bylaws of the Board of Trustees of Purdue University.

The scope of this project includes the implementation of new energy saving methods across the North Central campus dealing with campus-wide chilled water system upgrades, heat recovery chillers, modifications to constant volume supply air systems and optimization of existing control systems.

The estimated cost of this project is \$1,920,240, to be funded from Qualified Energy Savings Bonds. The University intends to utilize its existing tax-exempt commercial paper program to fund these expenditures on an interim or permanent basis.

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 handwritten signature in black ink, appearing to read "A. V. Diaz".

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

/bjm

Attachments

- c: Matt Hawkins, Associate Commissioner and Chief Financial Officer
- Brian Bailey, State Budget Director
- Mary Catherine Gaisbauer, Comptroller
- Kevin Green, Assistant Director of Capital Planning

**PROJECT SUMMARY AND DESCRIPTION
FOR: QUALIFIED ENERGY SAVINGS**

Institution:	<input type="text" value="Purdue University"/>	Budget Agency Project No.:	<input type="text" value="B-4-14-2-17"/>
Campus:	<input type="text" value="North Central"/>	Institutional Priority:	<input type="text" value="N/A"/>
Previously approved by General Assembly:	<input type="text" value="No"/>	Previously recommended by CHE:	<input type="text" value="No"/>
Part of the Institution's Long-term Capital Plan:	<input type="text" value="Yes"/>		

Project Summary Description:

Scope includes the implementation of new energy saving methods across the North Central campus dealing with campus-wide chilled water system upgrades, heat recovery chillers, modifications to constant volume supply air systems and optimization of existing control systems.

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

Implementation of the qualified energy savings projects will reduce the utility costs and will advance the Universities' mission towards improving environmental sustainability.

Project Size:	<input type="text" value="N/A"/> GSF	<input type="text" value="N/A"/> ASF	<input type="text" value="N/A"/> ASF/GSF
Net change in overall campus space:	<input type="text" value="N/A"/> GSF	<input type="text" value="N/A"/> ASF	

Total cost of the project (1):	<input type="text" value="\$ 1,920,240"/>	Cost per ASF/GSF:	<input type="text" value="N/A"/> GSF
			<input type="text" value="N/A"/> ASF

Funding Source(s) for project (2): Qualified Energy Savings Bond Proceeds

Estimated annual debt payment (4):

Are all funds for the project secured:

Estimated annual change in cost of building operations based on the project:

Estimated annual repair and rehabilitation investment (3):

- (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. QES Project is scheduled at 4.5% for 9 years with \$5,000 of issuance costs.
- 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
FOR: QUALIFIED ENERGY SAVINGS**

Institution:	Purdue University	Budget Agency Project No.:	B-4-14-2-17
Campus:	North Central	Institutional Priority:	N/A

Description of Project

Scope includes the implementation of new energy saving methods across the North Central campus dealing with campus-wide chilled water system upgrades, heat recovery chillers, modifications to constant volume supply air systems and optimization of existing control systems.

Need and Purpose of the Program

Implementation of the qualified energy savings projects will reduce the utility costs and will advance the Universities' mission towards improving environmental sustainability.

Space Utilization

N/A

Comparable Projects

N/A

Background Materials

N/A

CAPITAL PROJECT REQUEST FORM
INDIANA PUBLIC POSTSECONDARY EDUCATION
INSTITUTION CAMPUS SPACE DETAILS FOR Qualified Energy Savings

Purdue North Central Qualified Energy Savings B-4-14-2-17	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)	30,918	-	-	30,918	-	-	30,918
Class Lab (210,215,220,225,230,235)	36,059	-	-	36,059	-	-	36,059
Non-class Lab (250 & 255)	4,662	-	-	4,662	-	-	4,662
Office Facilities (300)	67,579	-	-	67,579	-	-	67,579
Study Facilities (400)	24,598	-	-	24,598	-	-	24,598
Special Use Facilities (500)	4,531	-	-	4,531	-	-	4,531
General Use Facilities (600)	34,176	-	-	34,176	-	-	34,176
Support Facilities (700)	13,582	-	-	13,582	-	-	13,582
Health Care Facilities (800)	-	-	-	-	-	-	-
Resident Facilities (900)	-	-	-	-	-	-	-
Unclassified (000)	-	-	-	-	-	-	-
B. OTHER FACILITIES							
(Please list major categories)							
TOTAL SPACE	216,105	-	-	216,105	-	-	216,105

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:

Space planned and funded includes:

Space to be terminated includes:

**CAPITAL PROJECT COST DETAILS
FOR: QUALIFIED ENERGY SAVINGS**

Institution:	Purdue University	Budget Agency Project No.:	B-4-14-2-17
Campus:	North Central	Institutional Priority:	N/A

ANTICIPATED CONSTRUCTION SCHEDULE

	<u>Month</u>	<u>Year</u>
Bid Date	November	2013
Start Construction	December	2013
Occupancy (End Date)	June	2014

ESTIMATED CONSTRUCTION COST FOR PROJECT

	Estimated Escalation Cost Basis (1)	Factors (2)	Project Cost
<u>Planning Costs *</u>			
a. Engineering			*
b. Architectural			
c. Consulting			
* Planning Costs are part of QES Contract			
<u>Construction</u>			
a. Structure			
b. Mechanical (HVAC, plumbing, etc.)			\$ 1,303,443
c. Electrical			\$ 434,481
<u>Movable Equipment</u>			
<u>Fixed Equipment</u>			
<u>Site Development/Land Acquisition</u>			
<u>Other (Soft Costs)</u>			\$ 182,316



(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
FOR: QUALIFIED ENERGY SAVINGS**

Institution:	Purdue University	Budget Agency Project No.:	B-4-14-2-17
Campus:	North Central	Institutional Priority:	N/A

GSF OF AREA AFFECTED BY PROJECT N/A

ANNUAL OPERATING COST/SAVINGS (1)

	Cost per GSF	Total Operating Cost	Personnel Services	Supplies and Expenses
1. Operations		\$ (18,725)		
2. Maintenance		\$ -		
3. Fuel		\$ -		
4. Utilities		\$ (258,593)		
5. Other		\$ -		
TOTAL ESTIMATED OPERATIONAL COST/SAVINGS		\$ (277,318)	\$ -	\$ -

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

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