

**STATE UNIVERSITY SYSTEM OF FLORIDA
BOARD OF GOVERNORS
Facilities Committee
February 21, 2011**

SUBJECT: Authorization of a Guaranteed Energy Performance Program at FAMU

PROPOSED COMMITTEE ACTION

Authorize the implementation by Florida A&M University (the "University") of a Guaranteed Energy Performance Program (the "Program") in an amount not to exceed \$12,850,000.

COMMENTS FROM STAFF REVIEW

Staff of the Board of Governors, has reviewed the Energy Performance Program and all supporting documentation. Based upon this review, it appears that the proposed financing is in compliance with applicable Florida State Energy Performance Based Contracting Procedures and the applicable portion of the Debt Management Guidelines. Staff recommends authorization of the Guaranteed Energy Performance Program.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Florida Board of Governors Debt Management Guidelines; Section 1013.23, Florida Statutes; and Article IX, Section 7, Florida Constitution.

BACKGROUND INFORMATION

In 2007, the University openly solicited qualifications from firms qualified to implement a Guaranteed Energy Performance Program for the University. Siemens Building Technologies, Inc. ("Siemens") was selected to perform the work. In February 2009, the Board of Governors (the "Board") approved the first phase of this program. In the two years since the execution of the \$2.4 million contract, the energy savings have exceeded the investment payment requirements by \$277,316. The University is now seeking approval for the second phase of the program. The proposed program is for the University's Tallahassee campus. The Program is consistent with the University's mission, master plan and directives to reduce energy consumption.

The estimated program cost is \$12,850,000. Section II of the Board's Debt Management Guidelines requires the University to obtain approval by the Board for any energy performance-based contracts over \$10 million. The debt service payments will be funded from revenues generated by savings guaranteed under the terms of the contract. Costs in excess of guaranteed savings are payable by the contractor to the University. Projections provided by the University indicate that sufficient net savings will be generated to pay debt service.

Supporting Documentation Included: 1. Project Summary
2. Attachment I - Estimated Savings Summary

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