STATE UNIVERSITY SYSTEM OF FLORIDA  
BOARD OF GOVERNORS  
Facilities Committee  
March 28, 2023

SUBJECT: University of Florida - $29.6M Energy Savings Contract for Holland District

PROPOSED COMMITTEE ACTION

Authorize the University of Florida (University) to implement a guaranteed energy performance-based contract in an amount not to exceed $29.6M and consistent with sections 1013.23 and 489.145, Florida Statutes.

AUTHORITY FOR BOARD OF GOVERNORS ACTION

Article IX, Section 7, Florida Constitution; State University System (SUS) Debt Management Guidelines.

BACKGROUND INFORMATION

The Board of Governors (Board) approval of university energy performance-based contracts is not statutorily required. Sections 1013.23 and 489.145, Florida Statutes provide distinct parameters and requirements governing such contracts and further authorizes university boards of trustees to enter into them. However, the SUS Debt Management Guidelines require Board approval of any such contract over $10M.

The University seeks to reduce energy consumption and related operational costs via a $29.6M guaranteed energy performance contract for the northeast area of campus known as the Holland District. The proposed Project will include construction of a new boiler plant, renovation of an existing chilled water plant, installation of distribution piping, and replacement of other mechanical infrastructure that, together, will reduce future energy demand as well as operational and maintenance costs.

The University selected Siemens Industry, Inc. (Siemens) as the energy performance-based contractor, responsible for the Project’s energy audit, design, engineering, and installation. TD Equipment Finance (TD Finance) was selected as the third-party financing entity, providing $19.6M in tax-exempt financing, which, coupled with University resources of $10M, will fund total Project costs.

The Project is expected to yield approximately $5.2M in aggregate savings over the 20-year term of the agreement, and projected savings will be guaranteed by Siemens.

The University Board of Trustees approved the Project on August 16, 2022.

Supporting Documentation Included:
1. Project Summary
2. 20-year Projections, Savings vs Cost

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