

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: BB**  
**DATE: March 27-29, 2018**

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**SUBJECT**

**BHSU Performance Contract Preliminary Facility Statement**

**CONTROLLING STATUTE, RULE, OR POLICY**

[SDCL 5-14-3](#)

[BOR 6:5 Building Committee](#)

**BACKGROUND / DISCUSSION**

BHSU is submitting a Preliminary Facility Statement for a performance contract for energy efficiencies for all academic buildings. BHSU has focused on energy efficiency for decades with their first lighting project completed in the late 1990's. EnergyCAP, the state's utility tracking system, shows BHSU as one of the most efficient campuses for both electrical and natural gas usage in the Regental System.

**IMPACT AND RECOMMENDATIONS**

BHSU is requesting to enter into a performance contract with UNESCO to complete multiple energy efficiency projects using utility savings to pay for the project. The total cost of the project is \$2,064,152. Due to the maintenance and repair aspect of this project, BHSU is requesting to be exempted from the capital improvement requirement.

**ATTACHMENTS**

Attachment 1 – BHSU Performance Contract Preliminary Facility Statement

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**DRAFT MOTION 20180327\_7-BB:**

I move to approve BHSU's Performance Contract Preliminary Facility Statement as presented in Attachment I and authorize the exemption from the capital improvement requirement.

## **Black Hills State University Performance Contract**

### *Preliminary Facility Statement*

#### *General Programmatic Needs to be Addressed*

BHSU has focused on energy efficiency for decades with our first lighting project completed in the late 1990's. Energy Cap, the State's utility tracking system, shows BHSU as one of most efficient campuses for both electrical and natural gas usage in the Regental system. Even with all energy efficiency projects already completed, more savings can be attained.

BHSU is requesting to enter into a performance contract with UNESCO to complete multiple energy efficiency projects using the utility savings to pay for the projects. These projects include LED lighting retrofits, updating temperature and lighting controls, replacing steam traps, and replacing domestic plumbing fixtures. The total project cost is \$2,064,152, but is comprised of multiple projects at lower dollar amounts. Due to the maintenance and repair aspect of this project, BHSU is requesting to be exempted from the capital improvement requirement.

#### *Analysis of the Student Body or Constituents to Be Served*

All students at BHSU will benefit from these projects through overall energy savings resulting in reduced utility costs and sustainable living practices.

#### *Additional Services to Be Offered*

NA

#### *Compliance with Master Plan*

NA

#### *Analysis of Needs Assessment Based on the Facilities Utilization Report*

NA

#### *A. Location*

The energy efficiency projects will occur in every academic building on campus.

#### *B. Reallocation of Old Space, if any*

NA

#### *C. Proposed Funding Source/Sources*

Funding for this project will be financed through a third party. The loan payment will be paid from the energy savings realized from these projects. The Governor's budget office

has agreed to allow BHSU to retain the utility savings from these projects to pay the loan payment. BHSU will not need to make any upfront capital investment.

*D. Budget for Development of a Facility Program Plan*  
NA