



**AGENDA**

**THE UNIVERSITY OF WEST FLORIDA  
BOARD OF TRUSTEES**

**Finance, Facilities & Operations Committee Meeting  
August 17, 2017**

**University of West Florida Conference Center, Bldg. 22  
11000 University Parkway, Pensacola, FL 32514**

**Call to Order/Roll Call. . . . . Suzanne Lewis, Chair**

**Greeting . . . . . Suzanne Lewis**

**Action Items:**

**Information Items:**

1. Major Facilities Construction Update
2. Energy Savings Performance Contract Update
3. UWF Business Enterprises, Inc. Update

**Other Committee Business:**

**Adjournment**

**UWF Board of Trustees**  
**Finance, Facilities and Operations Committee**  
August 17, 2017

**Issue:** Major Facilities Construction Update

**Proposed action:** Informational

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**Background information:** This update will provide the Board with a brief project status update and planning related to the University Park and Lab Sciences Annex Facilities.

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**Supporting documentation:** N/A

**Prepared by:** Dr. Steve Cunningham, Vice President and CFO,  
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**Facilitator/Presenter:** Dr. Steve Cunningham, Vice President and CFO,  
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**UWF Board of Trustees Meeting**  
Finance, Facilities and Operations Committee  
August 17, 2017

**Issue:** Energy Savings Performance Contract Update

**Proposed action:** Informational

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**Background information:**

In August 2015, the Finance and Facilities Committee was provided with a status report concerning an Energy Audit Agreement initiated in March 2015, between the University and Siemens Industry, Inc. The purpose of the Energy Audit and Report was, “to determine the feasibility of entering into an energy performance savings contract to finance the installation and implementation of not to exceed \$10,000,000 of energy conservation measures across campus.”

The Energy Audit Agreement included a \$275,000 “Break-Up Fee,” in the event that Siemens failed to deliver a timely and feasible Energy Audit Report (“EAR”) involving verifiable Energy Conservation Measures (“ECMs”) that Siemens would implement. A November/December 2015 time table was suggested as the time frame for final action by the Board of Trustees. Subject to University acceptance of the EAR prepared by Siemens, it was reported that the Board would be asked to approve a subsequent Energy Performance Contract with Siemens (“EPC”), involving the following aspects:

- Maximum project cost of \$10 Million;
- Energy cost savings are reasonably verifiable based on industry standards;
- Energy cost savings produce a positive cash flow to the University equal to a minimum of five (5) percent of the energy cost savings;
- Not-to-exceed fifteen (15) year payback period; and
- Construction period for installing energy conservation measures of two (2) years.

As of September 2015, Steven Cunningham was appointed Vice President and CFO. Siemens delivered a finalized Technical Energy Audit Report to the University on November 2, 2015. At that time, Dr. Cunningham elected to defer further Board consideration of the potential EPC, pending review and analysis of the EAR. Three consultants (Technical, Financial, and Legal) had been contracted to assist the University in analyzing the EAR and its feasibility for implementation at UWF. Following several iterations, the final consultant recommendations were received at the end of March 2017. Additional review then undertaken by Dr. Cunningham and Facilities staff in coordination with the OGC. Siemens representatives were advised that the University was reluctant to proceed based on the EAR and Siemens was provided with a formal Termination Notice on May 23, 2017, stating various factors verified by the consultants, indicating that the EAR was not feasible for implementation at this time.

Siemens officials have indicated a willingness to continue to discuss and negotiate options (including the possibility of scaled-down ECM projects that do not require debt financing). Negotiations will therefore continue between the parties as to the status of any potential ECM projects and fees. Meanwhile, the University will continue to consider potential ECM projects that yield verifiable energy savings and core infrastructure improvements. Any proposed EPC will be brought before the FFOC for endorsement and Board approval as necessary.

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**Supporting documents:** N/A

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**UWF Board of Trustees**  
Finance, Facilities and Operations Committee  
August 17, 2017

**Issue:** UWF Business Enterprises, Inc. Update

**Proposed Action:** Informational

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**Background Information:**

Business Enterprises, Inc. (BEI) was established in 2011. This update will provide the Committee with an overview of recent activities, including the Scenic Hills property, Food Services and Argonaut Village.

**Implementation Plan:** N/A

**Fiscal Implications:** N/A

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**Supporting documents:** N/A

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