

November 19-20, 2015

**ITEM 169-1004-R1115****Authorization to Upgrade Building Automation Controls - Lommasson Center– UM  
(Missoula Main Campus)****THAT**

In accordance with the Board of Regents Policy 1003.6 & 1006.7, the Board of Regents authorizes The University of Montana to proceed with an energy performance contract with McKinstry Essention, Inc. for the upgrade of the building automation controls at the Lommasson Center for a total project cost not to exceed \$1.2 million and to secure a loan from the Montana Board of Investments.

**EXPLANATION**

1. The Lommasson Center is currently ranked UM's #1 energy consumer based on total energy costs and costs per square foot.
2. In September, 2014, UM entered into an energy performance contract (EPC) with McKinstry Essention, Inc to perform existing building commissioning services at Lommasson Center as allowed by MCA 90-4-1103
3. Over the course of the next year, McKinstry Essention, Inc performed building evaluations and recommissioning of existing systems. Many Facility Improvement Measures (FIMs) were suggested throughout the process and all low-cost FIMs have been implemented under the EPC contract. More expensive FIMs were also identified, but the project with the most potential to improve occupant comfort, building operations and produce energy savings was the upgrade of the building automation control system.
4. At the September, 2015 Regents meeting, UM presented additional information about this project and advised the Regents that it would return to seek approval.
5. Additional due diligence determined that the project costs will not exceed \$1.2 million with operational and energy savings anticipated to be \$100,000/year, for a simple payback of 12 years. Energy savings will fund the debt service.

6. This project will be funded as follows:

Debt Management Funds	\$420,000
Debt Refunding	\$570,000
InterCap Loan	\$210,000
<b>Total project cost</b>	<b>\$1,200,000</b>

7. This Regents Item authorizes the University of Montana to execute an energy performance contract with McKinstry Essention, Inc. for up to \$1.2 million to install this project and further authorizes the University to negotiate the financial agreements, with a term of no more than 3 years.

**ATTACHMENTS**

Attachment #1 – Project Summary