

July 12, 2024

ITEM 213-1601-R0724

**Request for Authorization to Increase Spending Authority for Campus Lighting Upgrade Project;
University of Montana Western**

THAT

Consistent with the authority of the Montana Board of Regents to manage and control the Montana University System, BOR Policy 1003.7, and 20-25-302 (1)(b), the Board of Regents authorizes University of Montana Western to increase spending authority by \$469,000 to complete the campus wide lighting project.

EXPLANATION

1. In May 2022 through a Commissioner's Approval, UMW was authorized to spend up to \$410,000 for the upgrade of campus lighting to improve energy efficiency as part of the State Buildings Energy Conservation Program (SBCEP) through DEQ.
2. The project has been fully designed, bids solicited, and received. Total project cost is estimated at \$879,000. Therefore, additional authority of \$469,000 is requested. The higher than expected project costs are due to market cost escalation of engineering design services, material costs, and installation.
3. Replacing the lighting across campus with LED lighting fixtures is essential to reduce utility costs for the University of Montana Western. This upgrade will also significantly improve the quality of lighting throughout campus.
4. The principle DEQ loan amount of \$879,000, plus 3% interest, will be amortized over 20 years and repaid through realized energy savings.
5. O&M will be significantly reduced by the implementation of this project. The lifetime of LED lighting is much greater than traditional lighting thereby reducing maintenance cost. The operational costs (per calculated energy savings) will be reduced by approximately \$52,000 per year.

ATTACHMENTS

Attachment #1: Project Description (BOR Policy 1003.7)