


June 28, 2023

TO: Members of the Board of Trustees

FROM: Jeffrey P. Geoghegan, CPA 
Executive Vice President for Finance and Chief Financial Officer

RE: Project Budget for Boiler Plant Equipment Replacement and Utility Tunnel
Connection (Revised Final: \$43,000,000)

RECOMMENDATION:

That the Board of Trustees approve the Revised Final Budget of \$43,000,000, as detailed in the attached project budget, for the Boiler Plant Equipment Replacement and Utility Tunnel Connection project. The Administration recommends that the Board of Trustees adopt the Resolution below.

RESOLUTION:

“Be it resolved that the Board of Trustees approve the use of \$43,000,000 in UCONN 2000 bond funds for the Boiler Plant Equipment Replacement and Utility Tunnel Connection project.”

BACKGROUND:

This project has been implemented in 3 phases.

Phase 1 was for the pre-purchase of 3 factory-fabricated, dual fuel water-tube boilers. Early purchase of the boilers is necessary to meet the project construction schedule due to the long lead time required to fabricate the boilers. Phase 1 was completed in Spring 2021.

Phase 2 was to complete utility tunnel interconnections between the future Supplemental Utility Plant (SUP) and the existing Central Utility Plant (CUP). Work included extension of the steam, chilled water, and electrical connections from their current locations within the existing “North Utility Tunnel” at the northeast corner of the UTEB building into the CUP and extension of the existing electrical distribution system. Additionally, three existing steam boilers currently located at the CUP, historically used as backup boilers during periods that the Cogeneration turbines were inoperative, were decommissioned and demolished. The existing boilers were inefficient; required extensive maintenance to stay operational and; replacement parts were difficult to obtain or are no longer manufactured. Additionally, the University was notified by CT DEEP that the boilers were required to be de-commissioned by June 2023 due to non-compliance with regulatory emissions restrictions. Phase 2 was completed in Spring 2022.

Phase 3 replaces the existing aged boilers decommissioned and removed in Phase 2. The project intent is to install one of the replacement boilers in the SUP and two in the CUP. The two new boilers in the CUP were completed in spring 2022, while the installation of the SUP boiler is ongoing.

The Revised Final budget increases the project costs by \$3,000,000. The additional project cost is due to material price increases and schedule delays/extension due to the Covid pandemic. The project phases were bid near the beginning of the pandemic and the original construction schedule completion was extended from 2022 to 2023 due to manufacturing delays and material shortages.

The Revised Final Budget is attached for your information.

Attachment

CAPITAL PROJECT BUDGET REPORTING FORM

TYPE BUDGET: REVISED FINAL

PROJECT NAME: BOILER PLANT EQUIPMENT REPLACEMENT AND UTILITY TUNNEL CONNECTION

	APPROVED PLANNING 3/21/2019	APPROVED REVISED PLANNING 4/24/2019	APPROVED DESIGN 8/14/2019	APPROVED FINAL 2/26/2020	PROPOSED REVISED FINAL 6/28/2023
<u>BUDGETED EXPENDITURES</u>					
	PRC				
CONSTRUCTION	\$ -	\$ -	\$ 600,000	\$ 29,200,000	\$ 34,900,000
DESIGN SERVICES	350,000	870,000	1,050,000	2,000,000	2,000,000
TELECOMMUNICATIONS	-	-	-	-	-
FURNITURE, FIXTURES AND EQUIPMENT	-	-	-	-	-
CONSTRUCTION ADMINISTRATION	40,000	100,000	100,000	1,200,000	1,200,000
OTHER AE SERVICES (including Project Management)	25,000	125,000	150,000	2,000,000	2,150,000
ART	-	-	-	-	-
RELOCATION	-	-	-	-	-
ENVIRONMENTAL	5,000	5,000	160,000	550,000	550,000
INSURANCE AND LEGAL	5,000	10,000	10,000	50,000	50,000
MISCELLANEOUS	5,000	10,000	30,000	-	-
OTHER SOFT COSTS	-	-	-	-	-
SUBTOTAL	\$ 430,000	\$ 1,120,000	\$ 2,100,000	\$ 35,000,000	\$ 40,850,000
PROJECT CONTINGENCY	50,000	130,000	200,000	5,000,000	2,150,000
TOTAL BUDGETED EXPENDITURES	\$ 480,000	\$ 1,250,000	\$ 2,300,000	\$ 40,000,000	\$ 43,000,000
<u>SOURCE(S) OF FUNDING*</u>					
UCONN 2000 BOND FUNDS	\$ 480,000	\$ 1,250,000	\$ 2,300,000	\$ 40,000,000	\$ 43,000,000
TOTAL BUDGETED FUNDING	\$ 480,000	\$ 1,250,000	\$ 2,300,000	\$ 40,000,000	\$ 43,000,000

* This budget reflects the University's current intended source(s) of funding for the specified project. The University may adjust this funding plan in order to ensure compliance with applicable federal and state law(s) or to strategically utilize all fund sources, within the approved budget amount, as appropriate.