The State University of New York

Office for Capital Facilities Newsletter

Editors: Jessica R. Miller & Amanda Harbinger

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Note from the Executive Director- Karren Bee-Donohoe

Sustainability—With the recent departure of Deborah Howard and Adam Costello, the Office for Capital Facilities (OCF) will be taking on the role of coordination with the campus sustainability directors. Eric Mazzone, the OCF Energy Manager will be the primary lead in this area. This is in addition to his responsibilities for EO 88, Build Smart NY, and the SUNY Strategic Plan energy goals. Both sustainability and the energy saving efforts are important aspects of SUNY operations. It is notable that the average utility spend for the state operated campuses is $706,000 per day. Such a large daily expenditure provides great potential to benefit all campuses by enhancing our energy efficiency efforts and facilities by installation of renew-able energy. A key component of the energy efficiency effort will be the implementation of NY Energy Manager.

Building Data—OCF is working closely with other System Administration offices, along with the Fund and the Research Foundation, on the upgrade of the system-wide Buildings Characteristics Inventory (BCI), Physical Space Inventory (PSI) and building condition assessment survey (BCAS). These systems are critical to many functions at both System and the campuses. More information will follow.

Staff Orientation—OCF is presenting an orientation for new facilities managers and key facilities staff at the PPAA conference. Taking place the morning before the mid-day conference opening, the session will summarize System Admin. and the Construction Fund functions, and detail the OCF services. Please sign up to join us.

Construction Bids and the "48 Hour Rule" - Jessica R. Miller

Time is up, bids are due! As they are opened, what should be included?

A bid security in the form of a bank draft, certified check or bid bond is required with the bid submission. A dollar amount must be shown and the bid must be signed.

Although much more is required before the contract can be awarded, most of that paperwork is not required with the bid. Assuming there is a Wick's Waiver; the three lowest bidders are required to submit the names of their mechanical, electrical and plumbing subcontractors within forty-eight hours of the bid opening (i.e. the 48 Hour Rule). This two day window gives the prime contractor the opportunity to firm up his team. The prime contractor then has five more days to submit a Minority and Women Owned Business (MWBE) Utilization Plan and a Vendor Responsibility Questionnaire. This additional time is an important opportunity for the prime and major subcontractors to develop a responsive MWBE Utilization plan that includes second and third tier participation. On larger projects, the second tier contractors play a vital role in meeting the MWBE goals by identifying third tier MWBE contractors and suppliers.

Requiring the Utilization plan with the bid can hinder the prime and major subcontractors' ability to demonstrate a good faith effort to respond to the goals. The Insurance Certificates, Performance Bonds, Labor and Material Bonds, Procurement Lobbying Forms and Omnibus Procurement Forms are all required before the contract award.

Upcoming Events

- CCBOA June 15-18
- Board of Trustees June 15-16
- Summer PPAA Conference July 14-16
- OCF Orientation Pre-conference event June 14

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Energy Forum - Eric Mazzone

Energy management is a rapidly changing field. While campuses are rising to the challenges posed by the SUNY and Statewide goals, it is difficult to stay informed about the newest technology, the myriad of product advancements, advanced training opportunities and continually changing energy efficiency incentives.

Campuses are also seeking ideas for successful deployment of operations and maintenance protocols. That will aid the energy management.Together campuses and OCF can help each other through group communications.

The SUNY Utility Managers Listserv sunyutil@ls.sysadm.suny.edu is a valuable tool for sharing ideas and feedback. Campuses are encouraged to use this listserv as an ***Energy Forum*** for discussion of ideas, products, experiences and questions.

The listserv is currently active – Let's start the conversation!

Campus staff are encouraged to share their valuable experiences and provide useful recommendations to benefit others. Fostering this form of communication raises awareness of best practices and further supports the goals of a comprehensive energy management program.

For more information, or to discuss energy management initiatives please contact SUNY's Energy Manager, Eric Mazzone, at **eric.mazzone@suny.edu** or **518.320.1127.**

Requests to be added to the list may be sent to Eric.

Capacity and Demand Increases - Kathy Slusher

What is Capacity?

As part of the deregulation of the electricity industry in NY, a portion of the cost of power is attributed to *capacity*. In theory, the *capacity* charges cover capital expenditures for electricity generators, while *supply* charges cover the generator's production costs. For the customer, capacity is the generator's assurance that electricity needed by the customer will be produced by the generator and be available for the customer's use.

How is capacity purchased?

Capacity is sold in six month blocks, monthly blocks, and on the spot market. Electricity suppliers, including the SUNY Energy Buying Group (EBG), must purchase capacity from the generators based upon usage during the previous year's state-wide peak hour.

When are capacity requirements set?

Capacity is set one time per year, based upon the peak usage of the entire state for a single hour in the prior year. Generally capacity is set on the hottest summer day, which results in a high cooling demand, and therefore a peak energy load. This results in the highest kWh production demand placed on the generators.

How does demand reduction help?

Typically on extremely hot days, large customers, including SUNY campuses are asked to employ demand reduction. This demand reduction not only helps stabilize the electric supply, but also can save the campus thousands of dollars by lowering the campus demand in the event that day sets the demand peak. A good demand reduction plan can reduce the amount of capacity the campus will be required to purchase each month of the following year, saving the campus money.

Why did 2015 capacity increase?

For 2015 the capacity required to be purchased is higher due to the peak hour of usage in the state which occurred on September 2, 2014 at 3:00 pm. During that hour, New York used more electricity than any other single hour for the entire year. Typically capacity is set during an hour in July or August, when SUNY campuses are not in full operation. The September date increased the kW capacity requirement nearly 25% for most campuses.

Will I pay more?

Fortunately this doesn't mean final costs for capacity will be 25% higher. The price for capacity is set at New York Independent System Operator (NYISO) auctions. Last year's price averaged around $5.15 per kW. This year's price was $3.50 per kW for the 6 months of the summer season. Therefore, while most campuses must purchase more capacity during 2015, the market has been keeping the price low enough to negate any large increases in cost.

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It's Not Just Hot Air – New Carbon Monoxide Regulation – Barbara Boyle

Governor Cuomo recently signed a bill that requires the installation of carbon monoxide detecting devices in all commercial buildings and restaurants that have appliances, devices or systems that may emit carbon monoxide or have an attached garage. Detailed regulations must be added to the Uniform Fire Prevention and Building Code to meet the statutory June 2015 deadline. The Division of Building Standards and Codes recently issued a draft rule for comment. *The rule will have retroactive provisions and may require action at most campuses.*

In the current draft regulation, carbon monoxide (CO) detection will be required in all new and existing commercial buildings that contain any fuel burning appliances (e.g., boilers, ovens, stoves, generators) or fuel burning fireplaces. CO detection will be required in a central location on each floor. If the floor is greater than 10,000 sq feet, distance to a detector must not exceed 100 ft unless there is detection nearer the source that meets certain conditions. Detection can be accomplished through a NFPA 720 compliant system or through CO alarms. For most buildings the CO alarm must be hardwired from the building power with battery backup. For existing buildings, the CO alarm can be on a ten year battery rather than hardwired. Systems in new commercial buildings (post June 2015) will need to tie into an alarm panel. There are also provisions for E occupancies and building with attached garages.

Refer to the draft language or the eventual final language for more precise analysis http://www.dos.ny.gov/dcea/noticeruledev.html.

OCF will monitor the progression of these new regulations.

The AGC- Contractor Advocacy – Jessica Miller

The Association of General Contractors (AGC) represents contractors in the building and highway construction industry. In addition to providing contractors with networking opportunities, the AGC advocates for its members.

The AGC reaches out to OCF or the Fund to discuss various concerns including consistency in bid documentation, MWBE participation and payment issues. Bid documents can be complex; therefore having consistency across SUNY helps to ensure contractors understand the requirements, and respond appropriately. SUNY Procedure 7554 was recently updated and includes new and improved standard templates- check it out!

Residence Hall Program Refinancing Saves $38.5M – by David Ferrari

This month in conjunction with SUNY and a team of investment professionals, DASNY closed on a refunding sale that refinanced $295.7M of existing Residence Hall Program debt. Each of the 26 campuses that take part in Residence Hall Program will realize a significant savings spread over the next 21 years.

The 2015 refunding sale was collaborative effort. The Office for Capital Facilities lead the endeavor on the campus' behalf, with direct support from many other offices within SUNY including: University Controller's Office, Finance and Business, General Counsel, Provost's Office, Hospital Affairs and External Affairs.

The SUNY Residence Hall Program follows NYS Division of Budget guidelines for the refunding of outstanding debt, including the following protocols:

- Each individual bond maturity must generate a certain percentage of savings
- No campus will pay more debt service, in aggregate or for a given maturity, as a result of the refinancing.
- No debt will be extended past its original maturity.

Savings from the refunding bond sale will be incorporated into the cash flow models, and provided to campuses as part of the annual capital plans.

The next Residence Hall Program bond sale is expected to take place this fall, and will support new projects as outlined in the campus capital plans.

This newsletter is issued by the Office for Capital Facilities staff at SUNY System Administration. If you would like to be added to the distribution list or have any questions regarding the newsletter please contact Jessica Miller at jessica.miller@suny.edu. To learn more about our office please visit http://www.suny.edu/capitalfacilities/