

Applebaum Boiler Improvements

Recommendation

It is recommended that the Board of Governors authorize the President, or his designee, to award contracts to implement boiler improvements in the Applebaum Building for a project cost not to exceed \$1,000,000. The project will be fully funded from the Deferred Maintenance Reserve.

Background and Project Description

The Eugene Applebaum College of Pharmacy and Health Sciences Building at 259 Mack Avenue was occupied in 2002. The building houses important research, and steam is needed for both heating and sterilization. The building was designed for in-house steam generation with backup steam to be provided as needed by outside contract. In 2011, the outside contract backup steam service was no longer available, and the strategy was changed to procure outside contracted steam services as primary and to utilize the existing in-house boiler as backup.

The Applebaum Building is now just one of two Wayne State Buildings utilizing steam service from a contracted third party. The outside contract expires February 2020 and will be subject to significant rate increases if renewed. The proposed investment for additional in-house equipment will pay for itself in two years.

The proposed improvements will add small boilers and configure a set up that is scalable for efficient production when heating is not needed and demand for steam is low. The configuration is also redundant so there is still adequate capacity even if there is a malfunction with a component part of the system.

All contracts for this project will be awarded in accordance with University policies and procedures, and with a focus on sustainability.

Project Budget

Funding Sources	
Deferred Maintenance Reserves	\$1,000,000
TOTAL Sources	\$1,000,000
Expenditures Plan	
Design Fees	\$50,000
Construction	\$800,000
Project Management and Contingency	\$150,000
TOTAL Expenditures	\$1,000,000