



Legislation Details (With Text)

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South Energy Center to Support the New Shands Hospital Complex (NB)

The South Energy Center will efficiently provide chilled water, steam, emergency and standby power generation, and medical gas infrastructure to serve the first hospital tower at the new Shands South Campus, and will be expanded to serve future phases of the project. The South Energy Center is currently under construction and is on-schedule to begin supplying service to the hospital by December 1, 2008 to support the completion of the hospital, which is on-schedule to begin receiving patients in November, 2009.

On July 9, 2007, the City Commission authorized an increase in project funding to \$40,000,000 to provide funding for the incorporation of Combined Heat and Power (CHP) into the South Energy Center. The CHP system uses waste heat to produce steam and chilled water and provides a highly efficient source of clean energy to the hospital campus. The inclusion of CHP into the project is projected to contribute 8 points towards the Leadership in Energy and Design (LEED) certification of the hospital.

Since July 9, 2007, the supply of reclaimed water from GRU for use within the South Energy Center for cooling tower makeup and for use on the hospital campus for site irrigation has been added to the scope of the project. The use of reclaimed water conserves valuable groundwater, reduces long term cost, and contributes points towards LEED certification.

The project has seen escalation in construction costs since July 9, 2007 due to the following cost factors: 1) the original project budget was based on available partial design development drawings, 2) the addition of reclaimed water, and 3) the rapid escalation in the underlying markets for materials such as steel, copper, concrete, and petroleum products. There have also been additional costs due to unforeseen coordination and site conditions such as poor soil conditions. The form of the financial agreement, which is open book cost plus is such that these increases result in unchanged return on investment.

..Recommendations

The City Commission: 1) increase the General Manager's authorization level from \$40,000,000 to \$48,500,000 to support the design, finance, construction, operation, maintenance and future expansion of the South Energy Center to support the new Shands hospital complex, and 2) authorize the General Manager or his designee to execute the necessary contractual amendment to implement the additional authorization level.

Funds are available in the FY 2008 Utility budget and the required funding through October 2010 will be included in future budgets.

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