

**ORANGE COUNTY
BOARD OF EDUCATION**

AGENDA ITEM ABSTRACT

Meeting Date: September 6, 2011

AGENDA ITEM No. 11-09-11

ACTION ITEM (Y/N) Y

SUBJECT: Lottery Fund Projects Approval

INFO. CONTACT: Dr. George McFarley **PHONE:** 919-732-8126

ATTACHMENTS: None.

PURPOSE: To provide the Board of Education with the opportunity to consider approval of the proposed projects for 2011-2012 NC Education Lottery funds.

BACKGROUND: Currently the district has \$524,292 available in NC Education Lottery proceeds as of the July 27, 2011 report from NCDPI. The net proceeds of the NC Education Lottery go to education expenses, including reduced class size in early grades, academic prekindergarten programs and capital improvements, to include school construction. Lottery proceeds cannot be used for technology purchases or needs.

Staff has examined the 2011-2021 ten-year CIP and recommended the funds be used for four HVAC replacement projects. All four HVAC units are over 20 years old, and showing serious signs of age. These specific HVAC replacements are at the following locations:

- 2 EACH 185 ton chillers (ALSMS)
- 1 EACH 170 ton chiller (OHS)
- 1 EACH 20 ton chiller (OHS)

All of the chillers were bid as a package to help drive down the cost. The competitive bids have been received, with Warren-Hay Mechanical Contractors the lowest responsible bidder. The recommended bid is \$485,368. This leaves a difference of \$38,924 which staff recommends staying with this project in the event of unforeseen change orders, given the age of these units. If the \$38,924 is not used, staff will come back to the Board with recommendations for re-purposing these dollars.

FINANCIAL IMPACT: The \$524,292 in 2011-2012 NC Education Lottery proceeds should be obligated and encumbered this school year.

RECOMMENDATION: The Superintendent recommends the Board of Education approve the proposed project for 2011-2012 NC Education Lottery funds.