

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Tunnels - POR 108 to 300 N. Ingalls
Replace Underground Utilities to 300 North Ingalls

Action Requested: Approval to Proceed with Project

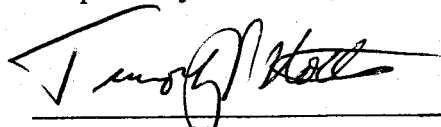
Background:

The boilers in the 300 North Ingalls Building are over 50 years old and in need of replacement. A cost effective solution is to connect the 300 North Ingalls Building to the University's central steam distribution system rather than replace the building's boilers. This project will install the underground steam lines necessary to connect the building to the central steam distribution system. The project will include the installation of a new 20" low-pressure steam line, a 10" high-pressure steam line, a 6" low-pressure condensation line, and the related condensation returns. The new lines will follow the path of existing abandoned lines under Catherine Street. The project will also include the construction of a new underground vault on the east side of Glen Avenue. Although some controlled disruption to traffic is anticipated during construction, there will be no permanent impact on parking from this project.

The estimated cost of the project is \$3,100,000. Funding will be provided from Utilities reserves for major repairs. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. The University of Michigan, Plant Extension - Architecture, Engineering and Construction will design the project. Construction is scheduled to be completed in Fall 2003.

We recommend that the Regents approve the Tunnels - POR 108 to 300 N. Ingalls - Replace Underground Utilities to 300 North Ingalls project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Timothy P. Slottow
Interim Chief Financial Officer

May 2003

APPROVED BY THE REGENTS ON
MAY 15 2003