

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Utility Tunnel Piping Project
Central Power Plant to Victor Vaughn Building

Action

Requested: Approval to Proceed with Project


Background:

Steam, domestic hot water supply, low pressure steam condensate and compressed air are distributed from the Central Power Plant to central and medical campus buildings by a system of pipes located in four main tunnels. The existing twenty inch low pressure steam pipe located between the Central Power Plant and the Victor Vaughn Building is approximately 50 years old and was recently refurbished to last another 30 years. However, maintenance alone cannot meet the future needs of growth projected for the medical campus. Therefore, we are proposing to add an additional twenty-four inch low pressure steam line within the existing tunnel. The existing domestic water supply pipes are approximately 30 years old, in poor condition, and the cause of water quality complaints; therefore, we are proposing to replace these pipes at the same time. The existing fiber optic lines and compressed air supply piping will be relocated within the tunnel to accommodate the additional steam line. Although there will be a temporary loss of some adjacent parking spaces during construction, there will be no permanent impact on parking from this project.

The estimated cost of the project is \$3,750,000. Funding will be provided from Utility resources. 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 engineering firm of Black and Veatch will design the project. Construction is scheduled to be completed in Spring 2005.

We recommend the Regents approve the Utility Tunnel Piping Project - Central Power Plant to Victor Vaughn Building project as described, authorize commissioning the firm of Black and Veatch for its design, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

July 2004

APPROVED BY THE REGENTS ON
JUL 15 2004