

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

APPROVED BY THE REGENTS ON
SEP 23 2004

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Chilled Water Loop Replacement Phase I

Action
Requested: Approval to Proceed with Project

Background:

This project is the first phase of a multi-year initiative to upgrade the chilled water system that feeds the chilled water loop serving portions of Mott Hospital, Towsley Center and the Taubman Health Center. The existing chillers are over 32 years old, and are unable to supply chilled water at the supply temperatures required to meet current and future cooling loads. This project will improve patient and staff comfort and provide expanded cooling for the Taubman Computer Room.

The project includes replacing the existing steam absorption chiller with a new centrifugal electric chiller, replacement of associated cooling towers and water pumps, and upgrading the electrical substation. The scope of the project includes the architectural, mechanical and electrical work necessary to accomplish these improvements. There will be no impact on parking from this project.

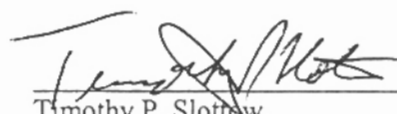
The estimated cost of the project is \$4,000,000. Funding will be provided from Hospitals and Health Centers' resources. Initially, the project may be financed by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. The project will be designed by the engineering firm of Wolf Wineman and construction will be completed in Summer 2005.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers - Chilled Water Loop Chiller Replacement Phase I project as described and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Robert P. Kelch
Executive Vice President
for Medical Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

September 2004