

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
November 17, 2006

ACTION REQUEST

Subject: Central Campus Area Utility Tunnel Replacement 2006

Action

Requested: Approval to Proceed with Project

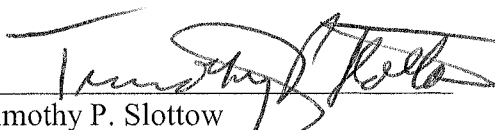
Background:

Many Central Campus buildings utilize the Central Power Plant and a network of tunnels for the distribution of utilities. Over time, these tunnels and piping systems deteriorate, especially the brick tunnels that are more than seventy years old. This year we developed a master plan that prioritizes sections of the brick tunnels that need to be replaced before 2010. This project will replace the section of brick tunnel that is the first priority in the master plan with a new concrete tunnel. The new tunnel will house steam supply lines, condensate return, hot water supply, and chilled water lines connecting the Dennison and Hatcher chilled water plants. 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 \$4,150,000. 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 Fishbeck, Thomson, Carr and Huber, Inc. will design the project. Construction is scheduled to be completed in Spring 2008.

We recommend that the Regents approve the Central Campus Area Utility Tunnel Replacement 2006 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
Executive Vice President and
Chief Financial Officer

November 2006