

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents

ACTION REQUEST

October 25, 2007

Subject: Central Campus Area Utility Tunnel Replacement 2007

Action

Requested: Approval to Proceed with Project

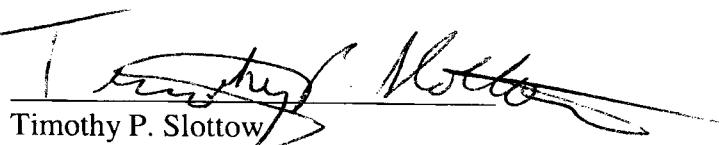
Background:

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. In 2006 a four-year master plan was developed that prioritizes sections of brick tunnels that need to be replaced before 2010. In 2006, we initiated two projects for our highest priority needs. Future projects in the plan will be brought forward for approval based on priority and in coordination with other Central Campus projects to minimize disruption. This project will replace another section of the tunnel on Central Campus that is approximately one hundred seventy feet in length. The project includes maintaining operation of the steam, condensate, and water lines until the new tunnel section is constructed and associated piping is in place. 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 \$1,100,000. 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 firms of Cummins and Barnard Inc. and Fishbeck Thompson, 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 2007 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

October 2007