

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Mason Hall and Haven Hall Renovation Project

Action Requested: Approval of Budget and Authorization to Issue Project for Bids and Award Construction Contracts

Background:

At the October 1999 meeting the Regents approved the revised project scope and the design of the addition to Haven Hall. The project involves an eight story addition to Haven Hall and renovation of interior spaces of Haven Hall and Mason Hall. The total area of the two buildings, including the addition to Haven Hall, will be 213,000 gross square feet. This includes a 67,000 gross sq. ft. addition, with the 146,000 gross sq. ft. remainder renovation of existing space. We are on schedule to seek your approval to issue the project for bids and begin the construction in the summer.

During the February Regents meeting, we noted our plan to expedite this project through the issuance of three early bid packages: Demolition, Foundations, and Structural Steel. We are prepared to fast-track the project in this way because the footprint and envelope of the building are not changeable. Therefore, we cannot foresee any possible basis for changes. By issuing these packages ahead of the main project we stand to gain as much as six months on the timing for completion of this project. Since the LS&A Building Renovation Project must rely on the swing space that will be initially used by the Mason/Haven project, we will advance the schedule on that project as well, resulting in significant savings.

Based on the current estimate of the project, the budget breakdown is recommended as follows:

Construction Cost	\$ 29,200,000
Moveable Equipment	\$ 1,450,000
Professional Fees	\$ 3,475,000
Contingency	<u>\$ 3,875,000</u>
TOTAL	\$ 38,000,000

We would like to issue the three early packages for bids beginning this spring, followed by the main package in August 2000. The construction of the total project will span approximately three years due to the specific phasing requirements related to the classrooms that exist in Mason Hall.

APPROVED BY THE REGENTS ON

MAR 20 2000

This project represents one component of four included in the State funded projects from Act 480 of the Public Acts 1996. The State will fund up to \$28.5 million of the total and the University will fund the balance. The University's share may be provided through the issuance of tax-exempt debt secured by a pledge of General Revenues to be paid from student fees and the balance from central administration and LS&A sources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the \$120 million program, secured by a pledge of General Revenues, and authorized by the Regents.

We recommend the Regents approve the project budget and authorize issuing the project for bids and awarding construction contracts as described, providing the overall project remains within the approved budget.

Respectfully submitted,



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Robert Kasdin  
Executive Vice President

March 2000