

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents

June 16, 2006

Subject: Central Campus Area Utility Tunnel Replacement

Action

Requested: Approval to Proceed with Project

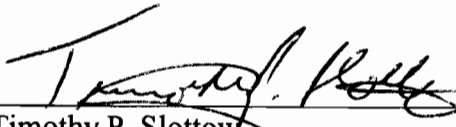
Background:

Most 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 those close to roadways due to salt use. In 2000, we replaced a section of tunnel under State Street that was in very poor condition. We now propose to replace another section of the tunnel that is approximately ninety 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 \$1,500,000. 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 Cummins and Barnard will design the project. Construction is scheduled to be completed in Fall 2007.

We recommend that the Regents approve the Central Campus Tunnel Replacement 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

June 2006