

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents
July 15, 2010

Subject: North Campus Chiller Plant Expansion

Action

Requested: Approval of Revised Project Funding

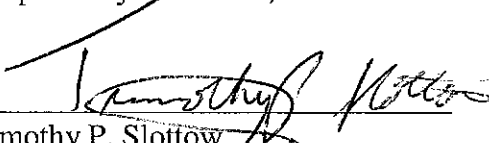
Background:

At the May 2010 meeting, the Board of Regents approved the North Campus Chiller Plant Expansion project. The project includes increasing the size and capacity of the chiller plant facility by 8,500 square feet and adding two 1,300 ton chillers. In addition to the expansion, underground connections would be extended to provide chilled water to the Earl V. Moore Building, Space Research Laboratory, and Naval Architecture and Marine Engineering Building (NAME) as well as replacing the steam and condensate interconnection between the Aerospace Propulsion Lab and NAME buildings to eliminate the need for one boiler.

The estimated cost of the project is \$8,700,000. We propose to fund the project from Utility resources and General Fund resources. Funding will not be provided from the Federal American Recovery and Reinvestment Act of 2009 via the State of Michigan Fiscal Stabilization Fund Program as originally planned. 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 Board of Regents. The University of Michigan Department of Architecture, Engineering and Construction, in collaboration with the architectural and engineering firms of C2AE and S3 Architecture, will design the project. Construction is scheduled to be completed in the fall of 2011.

We recommend that the Board of Regents approve the revised North Campus Chiller Plant Expansion 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

July 2010