

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
April 17, 2014

ACTION REQUEST

Subject: Dental Building to Palmer Commons Chilled Water Interconnection

Action

Requested: Approval to Proceed with Project

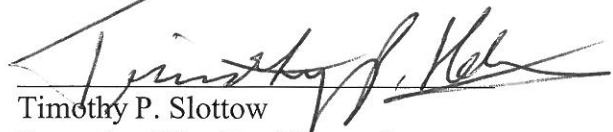
Background:

Regional chiller plants, when compared with chillers serving individual buildings, result in energy savings, reduced operational and maintenance costs, increased redundancy and reliability, and reduced proliferation of cooling towers and associated noise. This project will connect the chiller plant within the Palmer Commons Building to the chiller plant serving the Dental Building, allowing the electric centrifugal chillers in Palmer Commons to be the primary source instead of the steam absorption chillers serving the Dental Building. This interconnection will result in reduced energy costs and improved reliability. In addition, the project will also connect the Horace H. Rackham School of Graduate Studies building to allow the removal of that steam absorption chiller and cooling tower that is due for replacement. Although there will be a temporary loss of some adjacent parking spaces and dock access during construction, there will be no permanent impact on parking from this project.

The estimated cost of the project is \$3,000,000. Funding will be provided from investment proceeds. The construction cash flow may be provided, all or in part, by bond proceeds or 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 engineering firm OHM Advisors will design the project. The project is expected to provide an average of nine on-site construction jobs. Construction is scheduled to be completed in the spring of 2015.

We recommend that the Board of Regents approve the Dental Building to Palmer Commons Chilled Water Interconnection 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

April 2014