

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the
Regents
May 21, 2015

Subject: Nuclear Engineering Laboratory Renovation

Action

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

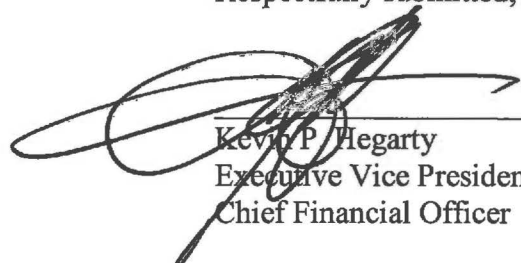
Background:

At the December 2013 meeting, the Board of Regents approved the schematic design for the Nuclear Engineering Laboratory Renovation project. The project will increase space utilization by creating additional usable floor space within the structure and existing penthouse, resulting in a 20 percent increase in the total building square footage to 20,500 gross square feet in this four-story building. This will accommodate the expansion needs of the Department of Nuclear Engineering and Radiological Sciences (NERS) in the College of Engineering. The NERS department has consistently maintained top rankings of graduate nuclear engineering programs and is growing in faculty, students, and research. This project includes a comprehensive renovation of the building, and new space for flexible research laboratories, testing areas, offices, support spaces, and mechanical equipment. The scope of this project includes the architectural, electrical, and mechanical work necessary to accomplish these improvements.

The project was originally scheduled to be completed in the fall of 2015. Before seeking bids for construction, we needed the final approval for decommissioning of the United States Nuclear Regulatory Commission license for the former Ford Nuclear Reactor. That approval was received in April 2015. Based on construction market conditions reflecting the change in schedule, we seek approval to increase the overall budget from \$11,400,000 to \$12,000,000 to accomplish the same project. Funding will be provided from College of Engineering resources. 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 project is expected to provide an average of 19 on-site construction jobs. Construction is scheduled to be completed in the spring of 2017.

We recommend that the Board of Regents approve the revised budget for the Nuclear Engineering Laboratory Renovation project and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

May 2015