

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: North Campus Chiller Plant Project (NCCP)

Action Requested: Approval to Proceed with Project

Background

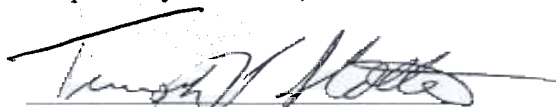
The recently completed campus-wide chilled water energy master planning study recommended that the University move toward the creation of several regional chiller plants to meet the long term needs for chilled water. The benefits of the North Campus Chiller Plant Project (NCCP) include: energy savings, reduced operation and maintenance costs, increased redundancy and reliability, reduced proliferation of cooling towers and associated noise. The project will include constructing a building to house chiller equipment, associated pumps and cooling towers. In addition, the project will include the installation of the primary underground piping system with sufficient capacity to address replacement chillers for existing buildings and anticipated buildings. The NCCP will be flexible in design and construction to accommodate future expansion of the plant as necessary. The NCCP is projected to serve a large portion of the North Campus with chilled water to provide air-conditioning and cooling for heat generating equipment.

An approximately 8,000 gross square foot building is proposed for the NCCP. The plant will provide up to 3,750 tons of chilled water capacity to new and existing North Campus Buildings. The primary underground piping will be installed in locations to allow future connection of existing and proposed buildings to the NCCP. The following new buildings will be connected to the NCCP: Computer Science & Engineering Building, Solid State Electronics Lab addition to Electrical Engineering and Computer Science, and the Biomedical Engineering addition to the Advanced Technology Laboratory. New building projects include the cost to provide individual chillers in each budget. Since the capital costs for the NCCP are similar to the initial cost of individual building chillers, these new projects will help to fund the NCCP. Underground piping will also be provided to the following existing buildings to allow for the replacement of aging chillers that are expected to fail in the near future: Herbert H. Dow Building, GG Brown Building, Industrial and Operations Engineering Building, Engineering Research Buildings, and the School of Information North Building.

The estimated cost of the project is \$14,300,000. Funding will be provided from Utility reserves and a capital allocation from the recently approved College of Engineering project budgets. 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 architectural firm of HarleyEllis will design the project.

We recommend the Regents approve the North Campus Chiller Plant 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. Slotow
Executive Vice President and
Chief Financial Officer

September 2003

APPROVED BY THE REGENTS ON
SEP 18 2003