THE UNIVERSITY OF MICHIGAN REGENTS COMMUNICATION EXH MOTION ACTION REQUEST NOTE: FEB 1 7 2005

Subject:

Engineering Research Buildings I & II, Gerstacker Building,

and School of Information North Building Boiler Replacement

Action

Requested: Approval to Proceed with Project

Background:

The boiler room in the Gerstacker Building houses boilers that provide steam for heating, humidification, and research laboratories in four buildings on North Campus. The three low-pressure boilers were installed between 1961 and 1969, and maintenance of these boilers has become more complicated because replacement parts are difficult to find. In addition, the boilers had been sized to provide steam for steam absorption chillers in these buildings. With the North Campus Chiller Plant under construction that will more efficiently provide the necessary chilled water, we will be able to reduce the size of these replacement boilers and increase energy efficiency. This project will replace the three existing boilers and associated components with three smaller boilers. The existing chimneys will be replaced with new chimneys of the same height. There will be no impact on parking from this project.

The estimated cost of the project is \$1,300,000. 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 University of Michigan, Plant Extension — Architecture, Engineering and Construction will design the project. Construction is scheduled to be completed in Winter 2006.

We recommend that the Regents approve the Engineering Research Buildings I & II, Gerstacker Building, and School of Information North Building - Boiler 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

February 2005