

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents
May 15, 2008

Subject: East University Chiller Plant
New Chiller

Action

Requested: Approval to Proceed with Project

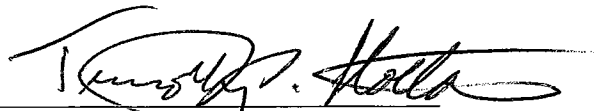
Background:

The East University Chiller Plant is located underground between the David M. Dennison Building and East Hall, and is part of a chilled water loop that serves several Central Campus buildings. The plant was constructed in the early 1990s and houses three absorption chillers each with an approximately 1,240 ton capacity. This project will install a new electric chiller with a 1,300 ton capacity and associated pumps and piping in the East University Chiller Plant. The addition of this electric chiller will result in an estimated \$600,000 annual savings as compared with the operation of an existing absorption chiller. In addition, the new chiller provides required redundancy for current cooling loads. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements. There will be no impact on parking from this project.

The estimated cost of the project is \$2,700,000. Funding will be provided from investment proceeds. 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 Department of Architecture, Engineering and Construction will design the project. Construction is scheduled to be completed in Summer 2009.

We recommend that the Regents approve the East University Chiller Plant New Chiller 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

May 2008