

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents
June 21, 2007

Subject: Michigan Memorial Phoenix Laboratory Renovation

Action

Requested: Authorization to Issue the Project for Bids and Award Construction Contracts

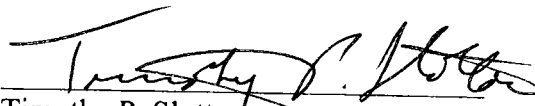
Background:

At the October 2006 meeting, the Regents approved the schematic design for the Michigan Memorial Phoenix Laboratory Renovation. A renovation of approximately 25,000 gross square feet is planned that will create approximately 7,000 net square feet of state-of-the-art research laboratory space for a broad range of energy-related initiatives and provide extensive infrastructure upgrades to the building's electrical, mechanical and life-safety systems. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements.

The estimated cost of the project is \$9,500,000. This project is part of the State Capital Outlay Request that was authorized by the State legislature in Public Act 345 of 2006. The State will fund approximately two-thirds of the project and the University will fund the balance with 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. As a result of extended decommissioning activities construction is scheduled to be completed in Fall 2008.

We recommend that the Regents authorize issuing the Michigan Memorial Phoenix Laboratory Renovation project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,


Timothy P. Slotto
Executive Vice President and
Chief Financial Officer

June 2007