

February 17, 2006

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATIONACTION REQUEST

Subject: Stephen M. Ross School of Business
Facilities Enhancement Project

Action

Requested: Authorization to Issue Bids and Award Construction Contracts for
Demolition and Early Procurement Packages

Background:

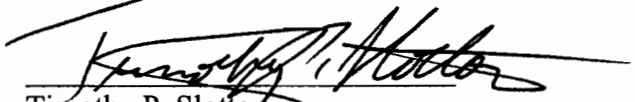
At the October 2005 meeting, the Regents approved the schematic design for the Stephen M. Ross School of Business Facilities Enhancement project. A 270,000 gross square foot building is proposed. The facility will be seven floors housing twelve tiered classrooms, an auditorium and colloquium, faculty offices, student service activities space, and a central gathering space that will provide seating areas and a food court.

To prepare the site for construction and achieve the project schedule, we propose issuing bids and awarding contracts for the demolition of Davidson Hall, Assembly Hall, and the Paton Accounting Center. In addition, we propose issuing bids for early procurement packages for excavation and earth retention systems, and for the exterior cladding material. We will return to the Regents to seek approval to award the remainder of the project for bids and award construction contracts.

The estimated cost of the project is \$145,000,000. Funding will be provided from gifts, including a \$75,000,000 leadership gift from Stephen M. Ross, and Stephen M. Ross School of Business 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. Demolition is proposed to begin in May 2006, and construction is scheduled to be completed in Fall 2008.

We recommend that the Regents authorize issuing bids and awarding construction contracts for demolition and early procurement packages for the Stephen M. Ross School of Business Facilities Enhancement project provided that bids are within the approved budget.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

February 2006