Subject: Health Service
       Roof Replacement

Action Requested: Approval to Proceed with Project

Background:

Constructed in 1940 and expanded in 1995, the 78,800 gross square foot, four-story Health Service building houses clinical and administrative functions of the University Health Service. The existing roof systems were installed at various times between 1940 and 1995 and consist of slate, single ply rubber, and bituminous “built-up” felt. These systems have reached the end of their useful life and need to be replaced. Approximately 16,100 square feet of roofing systems will be replaced with new slate and rubber membrane materials. The project will also replace gutters, ventilation fans, and add insulation to the roof deck. Although there will be a temporary loss of some adjacent parking spaces during construction, there will be no permanent impact on parking from this project.

The estimated cost of the project is $1,600,000. 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 2008.

We recommend that the Regents approve the Health Service Roof 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,

[Signature]
Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

July 2007