

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

October 23, 2008

ACTION REQUEST

Subject: W. K. Kellogg Eye Center
Chiller Replacement

Action
Requested: Approval to Proceed with Project

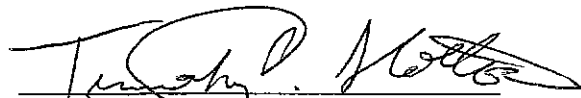
Background:

The nine-story, approximately 78,000 gross square foot W. K. Kellogg Eye Center was constructed in 1985 and houses clinical, research and administrative space for the Ophthalmology Department. The existing electric chiller located in the eighth floor mechanical penthouse has reached the end of its serviceable life. This project will replace the existing chiller, cooling tower and associate mechanical items with a new, more efficient, 325 ton electric chiller system. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements. 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 \$1,950,000. Funding will be provided from General Fund resources as part of the General Fund buildings chiller replacement program. 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 Spring 2009.

We recommend that the Regents approve the W. K. Kellogg Eye Center Chiller 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

October 2008