## THE UNIVERSITY OF MICHIGAN REGENTS COMMUNICATION

## ACTION REQUEST

## Subject:University of Michigan Health<br/>University Hospital<br/>Air Handling Unit Replacement

Action Requested: Approval to Proceed with Project

## Background:

This project will replace one air handling unit (AHU) that provides 73,000 cubic feet of air per minute for building ventilation, associated return fans, fire dampers, and controls at University Hospital. This AHU was damaged in a fire that occurred in October 2021. The remaining units have sufficient capacity for ongoing operations. However, for redundancy and for summer cooling, we need to replace the damaged unit as soon as possible. Due to the emergency nature of the project, removal of the damaged air handler and associated equipment has already started. The scope of this project includes the architectural, electrical, and mechanical work necessary to accomplish the replacement as described. There will be no impact on parking from this project.

The estimated cost of the project is \$3,900,000. Funding will be provided from insurance funds. The construction cash flow may be provided, all or in part, by bond proceeds or increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Board of Regents. The architectural firm of MA Engineering will design the project. The project is expected to provide an average of 21 on-site construction jobs. Construction is scheduled to be completed in the summer of 2022.

<u>We recommend</u> that the Board of Regents approve the University Hospital Air Handling Unit Replacement project as described and authorize issuing the project for bids and awarding construction contracts providing those bids are within the approved budget.

Respectfully submitted,

Manuel S. Runge

Marschall S. Runge, M.D., Ph.D. Executive Vice President for Medical Affairs and Dean, Medical School

Geoffrey S. Chatas Executive Vice President and Chief Financial Officer

February 2022