

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: New Construction and Renovation Projects Approval Process

Background:

From time to time we review the Board of Regents approval process for capital projects to determine whether any changes are merited.

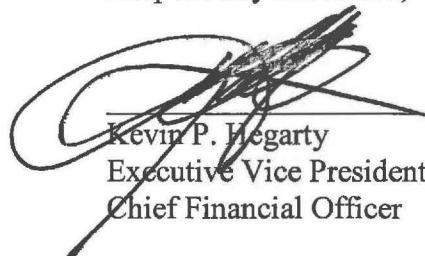
For construction of new buildings or major renovations to existing facilities, we have been seeking three approvals from the Board of Regents for each project: approval of project and authorization to appoint an architect, approval of schematic design, and authorization to issue the project for bids and award construction contracts. This three-step process has been a practice for a number of years and is incorporated into Facilities and Operations capital project approval procedures.

In order to work more efficiently and keep projects moving to avoid additional costs, we will consolidate the last two steps, seeking approval of both schematic design and authorization to issue bids and award construction contracts in one action request. The third step is redundant with respect to budget control because the budget is included in the first two steps.

Four projects have received schematic design approval: Ford Motor Company Robotics Building, Michigan Union Renovation, North Campus Research Complex Buildings 20 and 25 Renovation, and UM-Dearborn Engineering Lab Building Replacement. With this process change, we will proceed to issue bids and award construction contracts for these approved projects if bids are within the approved budget.

We will continue to utilize a single-step process to obtain approval for projects that exceed the Board of Regents financial threshold for construction projects but that do not warrant a schematic design presentation. In addition, we will continue to seek board approval for any project with a significant change of scope and budget.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

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