

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: East University Chiller Plant
Chiller Replacement

Action
Requested: Approval to Proceed with Project

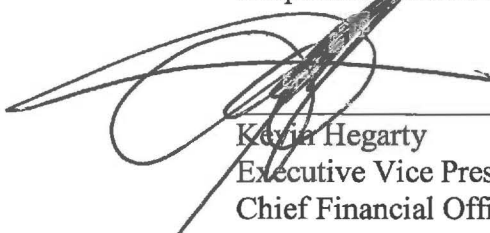
Background:

The East University Chiller Plant is located underground between Weiser Hall and East Hall and is part of a chilled water loop that serves several Central Campus buildings. The plant was constructed in the early 1990s and houses three steam absorption and one electric chiller. One of the two steam absorption chillers original to the plant's construction has failed and is need of replacement. This project will replace the failed steam absorption chiller with an electric chiller and related equipment to maintain required redundancy for current cooling loads. Replacement with an electric chiller will provide an approximately \$300,000 annual energy savings, reduced operational and maintenance costs, and increased reliability. The scope of this project includes the architectural, electrical, and mechanical work necessary to accomplish these improvements. There will be no impact on parking from this project.

The estimated cost of the project is \$1,500,000. Funding will be provided from General Fund resources. 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 University of Michigan Department of Architecture, Engineering and Construction will design the project. The project is expected to provide an average of five on-site construction jobs. Construction is scheduled to be completed in the fall of 2016.

We recommend that the Board of Regents approve the East University Chiller Plant Chiller Replacement as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Kevin Hegarty
Executive Vice President and
Chief Financial Officer

October 2015