

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents

November 20, 2008

Subject: University of Michigan Hospitals and Health Centers
University Hospital
Air Handling Upgrades

Action

Requested: Approval to Proceed with Project

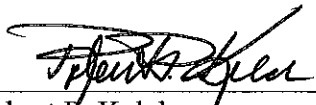
Background:

The humidifiers and air handling units located in the third floor mechanical room at University Hospital have been in service since the hospital first opened in 1986, and have received little modification other than routine maintenance and replacement of the deteriorating air handling unit cooling coils as part of the FY2006 chiller replacement project. The humidifiers have exceeded their useful service life and many are beyond repair. The heating coils in the air handling units are also deteriorating, with many beyond repair and no longer operating properly. This project will install new humidifiers and heating coils for improved environmental control, reliability, and energy efficiency. The scope of this project includes the architectural, mechanical, and electrical work necessary to accomplish these improvements. There will be no impact on parking from this project.

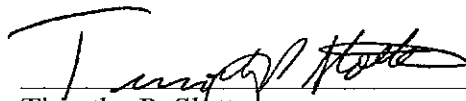
The estimated cost of the project is \$2,500,000. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. The engineering firm of MA Engineering will design the project. A phased construction schedule is planned in order to minimize disruption to patient care, with construction to be completed in the winter of 2010.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers University Hospital Air Handling Upgrades project as described, authorize commissioning the engineering firm of MA Engineering for its design, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Robert F. Kelch
Executive Vice President
for Medical Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

November 2008