

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: Central Power Plant  
Steam Pressure Regulator Valve System

Action Requested: Approval to Proceed with Project

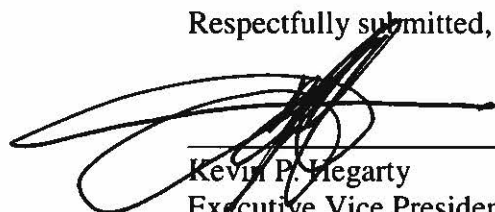
Background:

The Central Power Plant is a highly efficient natural gas co-generation facility providing steam heat and electrical power to many central and medical campus buildings. The electricity is generated from steam that otherwise would be wasted, resulting in an overall efficiency of approximately 80 percent, much higher than most power plants. This project will increase reliability of the steam supply to the distribution system by adding three steam pressure regulator valves. The scope of this project includes the electrical, mechanical, and structural work necessary to accomplish these improvements. There will be no impact on parking from this project.

The estimated cost of the project is \$3,800,000. Funding will be provided from Utilities 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 architectural firm of Stanley Consultants will design the project. The project is expected to provide an average of seven on-site construction jobs. Construction is scheduled to be completed in the winter of 2021.

We recommend that the Board of Regents approve the Central Power Plant Steam Pressure Regulator Valve System project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



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Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

December 2019