

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

APPROVED BY THE REGENTS ON

ACTION REQUEST

SEP 23 2004

Subject: Joan and Sanford Weill Hall  
Gerald R. Ford School of Public Policy

Action Requested: Approval of Revised Budget and  
Authorization to Award a Construction Contract

Background:


At the June 2004 meeting, the Regents approved issuing the Joan and Sanford Weill Hall project for bids and awarding construction contracts providing that bids were within the approved budget. Prior to the June 2004 Action Request, the architect provided a construction cost estimate and the University hired an independent cost estimator. The two different cost estimates were reconciled between the two firms and the University, and the pre-bid estimates were found to be very similar. Bids were received from six construction companies on August 31, 2004 with the low bid provided by Clark Construction Company. We have analyzed the bid detail and find the figures to be higher than anticipated due primarily to the cost of steel, masonry and electrical work.

In order to complete the project as presented to the Regents at schematic design, and to build 85,000 gross square feet of space, we are recommending a revised project budget of \$35 million. As described previously, the facility will have five floors and a penthouse for mechanical equipment. Approximately 48,000 net square feet of space will be created to house all of the functions of the Gerald R. Ford School of Public Policy, including administration, classrooms, faculty offices, development, career services, student services, alumni and external relations and principal research functions.

We are seeking approval to revise the project budget from \$32,000,000 to \$35,000,000. Funding will be provided by University investment proceeds, gifts to the Ford School, and President's discretionary resources. Construction cash flow will 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. Construction is scheduled to be completed in Fall 2006.

We recommend the Regents approve the revised budget for the Joan and Sanford Weill Hall Project. If approved, the University of Michigan will award a construction contract to Clark Construction Company.

Respectfully submitted,

  
Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

September 2004