

TRUSTEE FINANCE COMMITTEE

Friday, February 22, 2008
401 Administration Building

Action Items

Bank Account Delegation Attachment 1

Increased Financing of MSU Programs of Higher Education in Dubai, United Arab Emirates Attachment 2

A. Authorization to Plan

Forest Akers Golf Course – East Driving Range Enclosure (footprint change) Attachment 3

B. Project Approval - Authorization to Proceed

Natural Science – Window Replacement Attachment 4

Spartan Village Apartments – Zone One Demolition – Phase II Attachment 5

Holden Hall – Space Improvements Attachment 6

C. Bid and Contract Approval

Mary Mayo Hall – Renovations (budget adjustment) Attachment 7

Crescent Road/Middlevale Road Reconstruction – Phase IV (budget reduction) Attachment 8

West Circle Housing Complex – Steam, Electrical, and Water Distribution Enhancements – Phase I Attachment 9

Spartan Stadium – East Upper Stand Maintenance Attachment 10

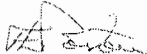
MICHIGAN STATE
UNIVERSITY

February 13, 2008



MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Bank Account Delegation

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommend to the Board of Trustees that it adopt the following resolution:

RESOLVED, that the Vice President for Finance and Operations and Treasurer, the Assistant Vice President for Finance and Operations, and the Assistant Vice President, Chief Financial Officer and Controller, or any one of them, are authorized and empowered to establish and maintain bank accounts as necessary for the orderly conduct of the business of Michigan State University and to designate signatories for the accounts, to act by actual and facsimile signatures; and

RESOLVED FURTHER, that the Vice President for Finance and Operations and Treasurer may delegate the authority hereby granted; and

RESOLVED FURTHER, that the authority and power conferred by this action shall vest in any successor positions to the Vice President for Finance and Operations and Treasurer, the Assistant Vice President for Finance and Operations, and the Assistant Vice President, Chief Financial Officer and Controller, or individuals appointed to these positions; and

RESOLVED FURTHER, that this action supersedes all prior Board actions relating to authority concerning bank accounts and account signatories.

BACKGROUND

Obstacles faced in recent efforts to open bank accounts in Dubai have demonstrated a potential need for flexibility in meeting banking needs in foreign countries. The particular issue in Dubai is that a type of account used to process credit card payments (which we plan to require for tuition) may only be opened by a Dubai resident. Dr. Mullan, the director of MSU's Dubai programs, is now a Dubai resident, but he is not authorized to open bank accounts. As MSU continues to expand its activities in the global arena, we should anticipate facing variations in banking practices and rules in different countries.

The currently effective Board of Trustees banking authority resolution only provides for designation of signatories on accounts, not for delegation of the authority to open accounts. In the proposed new banking authority resolution, the authority to open an account may be delegated by the Vice President for Finance and Operations and Treasurer, with such limitations and controls as the Vice President finds necessary and appropriate. Delegated authority and designated signatures beyond the positions named in the resolution will be used for foreign bank accounts only, relating to international program activities. Such delegations and designations will be reported to the President.

In addition to addressing the issue of current and potential foreign banking requirements, the above resolution reflects current titles for the positions authorized and will provide for continuance of authority.

cc: D. Brower, S. Harwood, G. Klein, K. Lindahl

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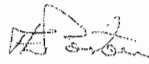
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February 13, 2008

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Increased Financing of MSU Programs of Higher Education in Dubai, United Arab Emirates

RECOMMENDATION

The Trustee Finance Committee recommends to the Board of Trustees that it adopt the following resolution:

BE IT RESOLVED that the Board of Trustees September 12, 2007 resolution concerning Financing of MSU Programs of Higher Education in Dubai, United Arab Emirates "Original Resolution") is modified to increase the maximum authorized amount of the Financing (as defined in the Original Resolution) from Three Million Dollars (\$3,000,000) to Five Million Dollars (\$5,000,000), and

BE IT FURTHER RESOLVED that all other resolutions and authorizations as set forth in the Original Resolution are confirmed, ratified and in full force and effect.

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BACKGROUND

As reported to the Board of Trustees last month, planned MSU programs in Dubai face increased costs due to a combination of shifting costs forward, increasing the number of MSU personnel in Dubai earlier, and dealing with inflation in Dubai. Although the basics of the original business model remain essentially the same over time, the administration must address the short-term (18-20 months) cash flow challenges created by the current increased costs.

TECOM Investments FZ-LLC ("TECOM"), MSU's lender in Dubai, has actively participated with MSU in quantifying and attempting to meet MSU's short-term cash-flow needs. MSU and TECOM propose to amend the loan agreement to provide for a \$3,500,000 loan limit, while retaining the limited recourse and other terms of the loan agreement executed in September 2007. The loan agreement amendment would also adjust the amount and timing of reimbursement for planned MSU in-kind contributions.

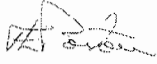
In the interest of allowing a contingency for unexpected needs and for flexibility for growth in Dubai, the administration has recommended that the Board of Trustees authorize a maximum financing amount of \$5,000,000.

cc: K. Wilcox, S. Harwood, K. Lindahl

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February 13, 2008

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Authorization to Plan** (footprint change)
Forest Akers Golf Course - East Driving Range Enclosure



RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that it authorize the administration to plan for modifications that will result in a material change to the campus footprint for the project entitled Forest Akers Golf Course – East Driving Range Enclosure.

BACKGROUND

Program Need:

The Forest Akers Golf Courses are among the finest collegiate complexes in the country. The driving range has been rated in the top 100 nationally since the golf center was created in 1997. Michigan has a number of fine courses; however practice and teaching facilities particularly for inclement weather early and late in the golf season are limited. The MSU Intercollegiate men's and women's golf teams are very successful, but the winter weather prohibits practicing hitting long shots which could enhance performance even more.

General Description of the Project:

The planning of this project is anticipated to include the construction of covered heated hitting stations and lighting at Forest Akers Golf Course – East. The stations will provide five months of additional hitting practice and golf instruction. The existing customer base includes the Kinesiology department, MSU evening programs, MSU intercollegiate golf teams, local area high school teams, and Lansing Community College golf classes. This enclosure will provide opportunities to market the facility to a new and existing customer base as well.

Forest Akers Golf Courses are located on Harrison Road south of Mt. Hope in the Agricultural District. The location of this project is consistent with the Campus Master Plan and Planning Principles. It is anticipated that the design changes will impact the campus footprint in this area.

Communication Plan:

During the planning phase, existing customers and employees of the Forest Akers Golf Course, and customers of the MSU Observatory, will be given an opportunity to provide feedback on the project as it is being designed. Input from the project planning team will also be solicited during the design phase.

Preliminary Project Cost Information:

As information, the preliminary project cost estimate is less than \$1 million and the source of funds for the project is expected to be from Housing and Food Services - Auxiliary Activities and Intercollegiate Athletics. This project will return to the Board for approval of the footprint changes under authorization to proceed.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma,
R. Nestle, D. Quinney, S. Margraves, V. Gore, M. Hollis, D. Feltz, K. Horvath

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February 13, 2008

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Project Approval - Authorization to Proceed**
Natural Science Building – Window Replacement



RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that it authorize the administration to proceed with the project entitled Natural Science Building – Window Replacement and to approve a budget of \$1,200,000.

BACKGROUND

Program Need:

The Natural Science Building was constructed in 1948. The original windows require replacement because they are no longer cost effective for either maintenance or energy efficiency.

Description of the Project:

The Natural Science Building is located on Farm Lane in the Central Academic District. This project involves the replacement of existing windows with new energy efficient windows.

The Architect/Engineer is Kingscott Associates.

Communication Feedback:

Faculty and staff who work in the Natural Science Building were given an opportunity to provide feedback during the planning phase. The project was generally well received. Current window air conditioners will be reinstalled as part of the project.

The Office of Campus Planning and Administration has reviewed this project and found it to be consistent with the Campus Master Plan and Planning Principles. The Campus Infrastructure Planning Work Group also supports the recommendation to proceed with the project.

As construction proceeds, the schedule and phasing will be reviewed with the building occupants and key administrators.

Project Cost and Timetable:

The budget for this Design-Bid-Build project is \$1,200,000. The source of funds for this project will be a tax-exempt bond offering with initial funding and debt repayment from the General Fund.

Construction is planned to begin in June 2008 and will be substantially complete by November 2008, with final completion by May 2009.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma, R. Nestle, D. Quinney, N. Carter

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MICHIGAN STATE
UNIVERSITY

February 13, 2008

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: **Project Approval - Authorization to Proceed**
Spartan Village Apartments – Zone One Demolition – Phase II



RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that it authorize the administration to proceed with the project entitled Spartan Village Apartments – Zone One Demolition – Phase II and to approve a budget of \$5,200,000.

BACKGROUND

Program Need:

The Housing and Food Services strategic plan identified the demolition of zone one in 2008. These apartments have exceeded their life expectancy and are no longer cost effective to maintain. As part of this project, the water capacity will be enhanced and minor road and sidewalk repair will be made in this area.

Description of the Project:

Spartan Village is located west of Harrison Road and south of CSX Railroad line in the Residential District. This project involves razing 34 buildings, related parking and drives, site restoration, minor road and sidewalk repair, and the installation of a new water main to the Spartan Village Complex.

The Architect/Engineer is Fleis & Vandenbrink Engineering.

Communication Feedback:

Residents of Spartan Village were given an opportunity to provide feedback during the planning phase. No issues or concerns were raised aside from residents wanting to be informed of the project schedule and future site plans.

The Office of Campus Planning and Administration has reviewed this project and found it to be consistent with the Campus Master Plan and Planning Principles. The Campus Infrastructure Planning Work Group also supports the recommendation to proceed with the project.

As construction proceeds, the schedule and phasing will be reviewed with residents and key administrators.

Project Cost and Timetable:

The budget for this Design-Bid-Build project is \$5,200,000, which is being funded by Auxiliary Activities Fund – Housing and Food Services and the General Fund – Just-In-Time.

Construction is planned to begin in July 2008 and will be substantially complete by October 2008, with final completion by March 2009.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma, R. Nestle, D. Quinney, S. Margraves, V. Gore

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MICHIGAN STATE
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February 13, 2008



MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Project Approval - Authorization to Proceed**
Holden Hall – Space Improvements

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that it authorize the administration to proceed with the project entitled Holden Hall – Space Improvements and to approve a budget of \$9,450,000.

BACKGROUND

Program Need:

MSU Housing is making a consolidated approach to pursue the improvement of public spaces, spaces that support academic and social interactions, and the enhancement of outdoor spaces and building access systems. In addition, the six university classrooms located in this hall do not support current technology requirements for instruction, and the classroom space needs updating.

Description of the Project:

Holden Hall is located on the northwest corner of Chestnut and Trowbridge Road in the Residential District. The project will consist of a variety of work including new paint and furniture in elevator lobbies, floor lounges, service centers, and corridors; new corridor carpeting; new lighting in corridors; enhanced security access systems; updates to Sparty's Convenience Store; and reprogramming of space. The project also includes renovation of six university classrooms. These renovations will enhance the teaching and learning environment to facilitate a variety of pedagogies with the installation of updated technology equipment, acoustical wall dividers, movable furniture, upgrades to original building finishes, ventilation system improvements, and compliance with life safety code requirements.

The Architect/Engineer is Integrated Design Solutions. The Construction Manager is Granger Construction Company.

Communication Feedback:

Faculty and staff who work in Holden Hall and the Resource Center for Persons with Disabilities were given opportunities to provide feedback during the planning phase. No issues or concerns were raised regarding the project.

The Office of Campus Planning and Administration has reviewed this project and found it to be consistent with the Campus Master Plan and Planning Principles. The Campus Infrastructure Planning Work Group also supports the recommendation to proceed with the project.

As construction proceeds, the schedule and phasing will be reviewed with the building occupants and key administrators.

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Project Cost and Timetable:

The budget for this Construction Management project is \$9,450,000, which is being funded by Auxiliary Activities – Housing and Food Services, and the General Fund.

Construction is planned to begin in May 2008 and will be substantially complete by August 2008, with final completion by January 2010.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma,
R. Nestle, D. Quinney, S. Margraves, V. Gore


CP07478

MICHIGAN STATE
UNIVERSITY



February 13, 2008

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Bid and Contract Award** (*budget adjustment*)
Mary Mayo Hall Renovations

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that a contract in the amount of \$8,756,000 be awarded to Kares Construction Company, Inc. and the budget be increased from \$12,500,000 to \$12,750,000, for the project entitled Mary Mayo Hall Renovations.

BACKGROUND

Description of the Project:

This project involves upgrading/replacing all major mechanical, electrical, and ventilation systems. It also includes enhancement and addition of safety and security systems including audio and visual smoke alarms, ADA code-required modifications, installation of a new elevator, new paint, asbestos abatement, lighting upgrades, flooring and ceiling replacement, roofing and exterior repair, office modifications, reconfiguration of the community bathrooms, replacement of existing furnishings, and other related improvements. The entire building will comply with applicable accessibility guidelines.

Bid List:

The following bids were received:

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<u>BIDDERS</u>	<u>BID</u>
Kares Construction Company, Inc.	\$8,756,000
Triangle Associates, Inc.	8,830,000
Granger Construction Company	9,039,000
Fryling Construction	9,300,000

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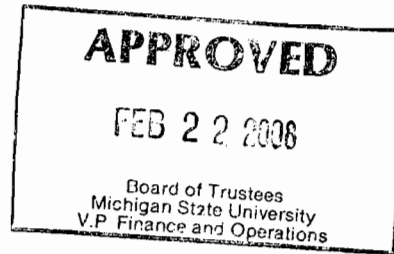
Project Cost:

In October 2007, the Board of Trustees authorized a budget of \$12,500,000 for this project. The budget has been increased to \$12,750,000 to accommodate replacement of all flooring and painting of student rooms. Funding will come from a combination of current funds and a tax-exempt bond offering with initial funding and debt repayment from the Auxiliary Activities Fund - Housing and Food Services.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma,
R. Nestle, D. Quinney, N. Carter, S. Margraves, V. Gore

CP06233

MICHIGAN STATE
UNIVERSITY



February 13, 2008

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston

Subject: **Bid and Contract Award** (*budget reduction*)
Crescent Road/Middlevale Road Reconstruction – Phase IV

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that a contract in the amount of \$856,400 be awarded to E.T. MacKenzie Company and the budget be reduced from \$2,300,000 to \$1,500,000, for the project entitled Crescent Road/ Middlevale Road Reconstruction – Phase IV.

BACKGROUND

Description of the Project:

This project involves converting Crescent Road to three vehicle lanes (one in each direction and one center turn lane) and two bike lanes. Middlevale Road will match the new cross-section of road constructed in 2007. The project will also upgrade the water service within and along the road alignment and to the adjacent buildings to meet current fire-fighting requirements.

Bid List:

The following bids were received:



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BIDDERS

BIDDERS	BID
E.T. Mackenzie Company	\$ 856,400
Cadwell Brothers Construction	878,892
CL Trucking & Excavating, LLC	896,945
Hoffman Brothers, Inc.	938,852
Kammaing & Roodvoets, Inc.	963,609
Sandborn Construction Co.	1,020,000
Six-S, Inc.	1,067,860
Detroit Industrial Services, Inc.	1,091,025
Aggregate Industries	1,103,868

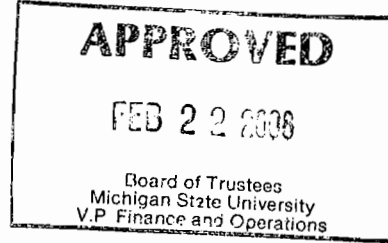
Project Cost:

In September 2007, the Board of Trustees authorized a budget of \$2,300,000 for this project. The budget has been reduced to \$1,500,000 due to a favorable bidding climate. This project is being funded by the General Fund – Just-In-Time.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma,
R. Nestle, D. Quinney

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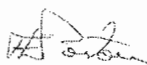
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February 13, 2008

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: Bid and Contract Award
West Circle Housing Complex – Steam, Electrical, and Water Distribution Enhancements – Phase I

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that a contract in the amount of \$2,800,000 be awarded to Sandborn Construction, Inc., for the project entitled West Circle Housing Complex – Steam, Electrical, and Water Distribution Enhancements – Phase I.

BACKGROUND

Description of the Project:

This project involves the replacement of deteriorating direct buried steam and condensate lines, upgrades to the existing water main, upgrades to existing electrical substations, and the installation of a new communication duct bank in accordance with the fiber optic plan. The administration will recommend a bid and contract award for electrical upgrades which will be bid separately in May 2008.

Bid List:

The following bids were received:



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BIDDERS

	<u>BID</u>
Sandborn Construction, Inc.	\$2,800,000
Granger Construction Company	2,835,000
Irish Construction Company	2,877,900
E.T. MacKenzie Company	3,147,700
Cadwell Brothers Construction	3,261,500
E & L Construction Group, Inc.	3,346,500

Project Cost:

In December 2007, the Board of Trustees authorized a budget of \$10,300,000 for this project. This project is being funded by the General Fund – Just-In-Time.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma,
R. Nestle, D. Quinney

CP07075

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UNIVERSITY

February 13, 2008



MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston *F. Poston*
Subject: **Bid and Contract Award**
Spartan Stadium – East Upper Stand Maintenance

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that a contract in the amount of \$1,062,998 be awarded to the E & L Construction Group for the project entitled Spartan Stadium – East Upper Stand Maintenance.

BACKGROUND

Description of the Project:

This project will repair the structural steel stands, clean and paint all structural steel, repair cement decking floor, replace the failing expansion joints, and install a traffic coating system throughout the east upper stands. In addition, minor structural and/or life safety problems will be addressed throughout the stadium structure. Because bids were well below the estimate, the project will also include restoration of the guardrails on the ramps leading to the east upper deck.

Bid List:

The following bids were received:

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<u>BIDDERS</u>	<u>BID</u>
The E & L Construction Group	\$1,062,998
Commercial Contracting Group	1,156,144
Christman Constructors, Inc.	1,336,018
Meridian Restoration, LLC	1,339,243
Kares Construction Company, Inc.	1,345,741
RAM Construction Services of Michigan, Inc.	1,419,610
Anlaan Corporation	1,432,732
Fryling Construction	1,458,279
M One Limited, Inc.	1,536,299
Aduddell Restoration & Waterproofing, Inc.	1,551,370
Cusack's Masonry Restoration, Inc.	1,621,828
Grunwell-Cashero Company	1,685,828
Structural Group, Inc.	1,698,098

Project Cost:

In December 2007, the Board of Trustees authorized a budget of \$2,000,000 for this project. This project is being funded by the Auxiliary Activities Fund - Athletics.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma,
R. Nestle, D. Quinney, G. Ianni, P. Brown

CP07021