

TRUSTEE FINANCE COMMITTEE

Friday, May 16, 2008
401 Administration Building

Revised

I. Action Items

A. Authorization to Plan

Facility for Rare Isotope Beams

Attachment 1

B. Bid and Contract Approval

Spartan Village Apartments – Zone One Demolition – Phase II

Attachment 2

Erickson Hall – Exterior Restoration

Attachment 3

MSU Surplus Store and Recycling Center

Attachment 4

C. Investment Manager Approvals

Sankaty Advisors

Attachment 4a


U.S. Venture Partners

Attachment 4b

MICHIGAN STATE UNIVERSITY

May 7, 2008

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Authorization to Plan**
Facility for Rare Isotope Beams



RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that it authorize the administration to plan for the project entitled Facility for Rare Isotope Beams.

BACKGROUND

Program Need:

The National Superconducting Cyclotron Laboratory (NSCL) at MSU is the world-leading rare isotope science facility at this time. Scientists at NSCL study the interaction of atomic nuclei and the origin of the elements on earth. Discovery potential in this field of science is related to the power of the driver accelerator, which for the NSCL, is the coupled cyclotron accelerator system. The current NSCL facility is being eclipsed by a Japanese facility, which became operational in 2007, and a facility under construction in Germany. Successful attainment of funding would enable the establishment of a world-class national user facility for the next several decades on the MSU campus. The facility for rare isotope beams represents a logical progression of NSCL's scientific and research capabilities.

General Description of the Project:

The planning of this project is anticipated to support a successful application to the U.S. Department of Energy Funding Opportunity Announcement for a facility for rare isotope beams. MSU proposes to replace the coupled cyclotron driver accelerators with a linear driver accelerator (based on superconducting cavities) - the latter is about 100 times more powerful than the existing coupled cyclotrons.

The Department of Energy has issued a draft FOA (Funding Opportunity Announcement), which is based on a linear driver accelerator and the production mechanisms currently used at NSCL, in addition to a rare isotope beam reacceleration capability. MSU has started to add a 3.2 MeV reacceleration capability to NSCL, as approved by the Board of Trustees on April 18, 2008.

The Facility for Rare Isotope Beams (FRIB) will replace the cyclotron driver accelerators at NSCL with a superconducting linac accelerator, thereby making it the world's most powerful rare isotope science facility.

The Cyclotron building is located on the corner of South Shaw Lane and Bogue Street in the Central Academic District. The location of this project is consistent with the Campus Master Plan and Planning Principles.

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Communication and Labor Planning:

During the planning phase, the campus community will be given an opportunity to provide feedback on the project as it is being designed. The planning process will include multiple feedback opportunities. Input from the project planning team will also be solicited during the design phase. Because planning authorization is needed early to support the funding application process, it is not yet possible to assess the utility of requiring a project labor agreement for construction.

Preliminary Project Cost Information:

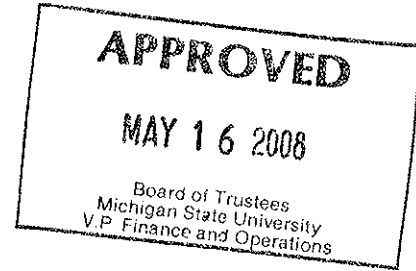
Based on the draft FOA issued by the Department of Energy the project funding may be up to \$550,000,000. This estimate may change as planning progresses.

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

CP07493

MICHIGAN STATE UNIVERSITY

May 7, 2008



MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Bid and Contract Award** (*budget reduction*)
Spartan Village Apartments – Zone One Demolition – Phase II

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that a contract in the amount of \$2,393,000 be awarded to Pitsch Companies and the budget be reduced from \$5,200,000 to \$4,800,000 for the project entitled Spartan Village Apartments – Zone One Demolition – Phase II.

BACKGROUND

Description of the Project:

This project involves razing 34 buildings and related parking and drives, performing site restoration and minor road and sidewalk repair, and installing a new water main to the Spartan Village Complex.

Bid List:

The following bids were received:

<u>BIDDERS</u>	<u>BID</u>
Pitsch Companies	\$2,393,000
E.T. Mackenzie Co.	2,463,000
Triangle Associates, Inc.	2,710,000
Kares Construction Co., Inc.	2,767,500
Cadwell Brothers	2,782,800
TCI Inc. of Michigan	2,989,000
Bierlein Companies, Inc.	3,263,881

Project Cost:

In February 2008, the Board of Trustees authorized a budget of \$5,200,000 for this project. This project is being funded by the Auxiliary Activities Fund – Housing and Food Services and 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, S. Margraves, V. Gore

CP06585



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MICHIGAN STATE UNIVERSITY

May 7, 2008



MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Bid and Contract Award** (*budget adjustment*)
Erickson Hall – Exterior Restoration

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that a contract in the amount of \$2,965,000 be awarded to Irish Construction Company and the budget be increased from \$2,100,000 to \$3,700,000, for the project entitled Erickson Hall – Exterior Restoration.

BACKGROUND

Description of the Project:

This project involves the replacement of the existing aluminum curtain wall (including windows and exterior doors) and the glazing system with a new energy efficient aluminum curtain wall and glazing system.

Bid List:

The following bids were received:

<u>BIDDERS</u>	<u>BID</u>
Irish Construction Company	\$2,965,000
Granger Construction Company	3,060,726
DeMaria Building Company, Inc.	3,092,300
Butcher & Baecker Construction Co.	3,112,800
Kares Construction Co., Inc.	3,311,000
Triangle Associates, Inc.	3,496,500

Project Cost:

In September 2007, the Board of Trustees authorized a budget of \$2,100,000 for this project. The curtain wall panels on Erickson Hall are extremely large, requiring heavy vertical structural members. In addition, once the panels are removed, temporary weather barriers will need to be installed to protect the interior of the building as well as the occupants, during the erection of the new curtain wall. As design proceeded, the design consultants became aware that the cost of the new curtain wall would be significantly higher than the number they used to develop this budget. In an effort to mitigate this cost, the project was bid with a number of alternates to allocate costs to specific elements of the project. After careful consideration, Physical Plant recommends awarding a contract to replace the entire curtain wall on Erickson Hall, which requires a budget of \$3,700,000.

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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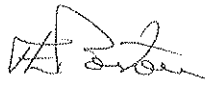
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MICHIGAN STATE UNIVERSITY

May 7, 2008



MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: **Bid and Contract Award**
MSU Surplus Store and Recycling Center

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees that a contract in the amount of \$8,855,700 be awarded to Irish Construction Company for the project entitled MSU Surplus Store and Recycling Center.

BACKGROUND

Description of the Project:

This project involves constructing a new 70,000 square foot building that will house recycling and relocate surplus activities. The site will also have a truck scale, exterior storage areas for compost, concrete and metal scrap, and space for roll-off and semi-trailer storage containers. A recycling education center will also be a part of the facility and the building will be LEED (Leadership in Energy and Environmental Design) certified.

Bid List:

The following bids were received:



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BIDDERS

<u>BIDDERS</u>	<u>BID</u>
Irish Construction Company	\$ 8,855,700
Sorensen Gross	8,906,200
Commercial Contracting Corporation	8,970,236
The LaSalle Group, Inc.	9,196,000
Clark Construction Company	9,413,440
Pioneer Construction	9,482,500
Fryling Construction Company	9,545,000
Triangle Associates, Inc.	9,715,000
Rockford Construction Company, Inc.	9,746,000
Granger Construction Company	9,757,200
DeMaria Building Company, Inc.	9,894,725
Kares Construction Co., Inc.	9,940,000
Walbridge Aldinger Company	10,155,000
Wieland-Davco Corporation	10,344,500

Project Cost:

In January 2008, the Board of Trustees authorized a budget of \$13,300,000 for this project. The source of funds for this project will be a tax-exempt bond offering with initial funding and debt repayment from the facility business plan net revenues.

cc: D. Brower, R. Flinn, J. Kacos, G. Klein, W. Latta, K. Lindahl, M. McCabe, J. Mumma, R. Nestle, D. Quinney, P. George, L. Boomer, R. Daoust, N. Carter, B. Ellerhorst

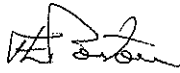
CP06166

MICHIGAN STATE
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May 12, 2008



MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: New Investment Manager – Sankaty Advisors, LLC

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees the selection of Sankaty Advisors, LLP as an investment manager.

BACKGROUND

Sankaty Advisors, LLC (Sankaty) is Bain Capital's fixed income affiliate focused on high yield debt obligations. It is a multi-product, multi-strategy credit manager with one shared team covering three strategies, one of which is credit opportunities. Sankaty is seeking \$4 billion for its fourth fund, Sankaty Credit Opportunities IV, L.P. (the Fund).

The Fund will invest in a diversified portfolio of distressed bonds and bank loans, mezzanine investments, structured products including collateralized debt obligations and credit default swaps, and other special situations including short term loans and paired trades. Investments will be broadly diversified by industry and issuer. Up to ten percent of the Fund may be invested outside of the United States on an unhedged basis.

Cambridge Associates advises and the Investment Advisory Subcommittee and Administration concur that Sankaty Credit Opportunities IV, LP represents an opportunity to diversify MSU's distressed investments by adding an experienced manager with a more consistent risk return profile. The Administration plans to invest \$5 million in the Fund.

cc: D. Brower, N. Carter, G. Klein, K. Lindahl

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MICHIGAN STATE
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May 12, 2008

MEMORANDUM



To: Trustee Finance Committee
From: Fred L. Poston 
Subject: New Investment Manager – U.S. Venture Partners

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends to the Board of Trustees the selection of U.S. Venture Partners as an investment manager.

BACKGROUND

U.S. Venture Partners (USVP) is seeking \$600 million for its tenth fund, U.S. Venture Partners X, L.P. (the Fund). Similar to previous funds, the Fund will engage primarily in early and development stage venture capital investing in the information technology, cleantech and healthcare/life sciences technology sectors. The Fund is expected to invest in 40 to 50 companies, predominantly as the first institutional investor, and primarily in the U.S.

Founded in 1981, USVP is an established venture firm that has an experienced and stable team of investors with over 100 collective years of investment experience. The firm has raised more than \$1.8 billion and invested in over 350 companies.

Cambridge Associates advises and the Investment Advisory Subcommittee and Administration concur that U.S. Venture Partners X, L.P. represents an opportunity to invest with an experienced venture capital investor. The Administration plans to invest \$5 million in the Fund.

cc: D. Brower, N. Carter, G. Klein, K. Lindahl



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