Subject: University of Michigan Hospitals and Health Centers (UMHHC) C. S. Mott Children's Hospital Operating Room/PACU Expansion and Pediatric MRI Project

Action Requested: Approval to Proceed with Project

Background

The University of Michigan Hospitals and Health Centers (UMHHC) is proposing to expand its surgical facilities at Mott Children’s Hospital to accommodate increasing demand for pediatric surgical cases and pediatric magnetic resonance imaging (MRI) examinations.

An 8,000 gross square foot renovation is planned. The renovation will include expanding the existing Post Anesthesia Care Unit (PACU) space in order to construct a new operating room and new pediatric MRI exam room. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements and provide equipment. Certificates of Need will be required from the Michigan Department of Consumer and Industry Services (MDCIS) for the new operating room and the new MRI. There will be no impact on parking from this project.

The estimated cost of the project is $10,200,000, including approximately $5,000,000 allocated for equipment. Funding will be provided from Hospitals and Health Centers’ resources. The construction cash flow may be provided, all or in part, from tax-exempt debt secured by a pledge of Hospital Gross Revenues and/or by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. HarleyEllis will design the project. Construction is scheduled to be completed in Winter 2005.

We recommend that the Regents approve the UMHHC Operating Room/PACU Expansion and Pediatric MRI Project as described, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,

Timothy P. Slottow
Executive Vice President and Chief Financial Officer

October 2003

Respectfully submitted

Robert P. Kelch
Executive Vice President for Medical Affairs

AF ROVED BY THE REGENTS ON OCT 16 2003