

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

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:

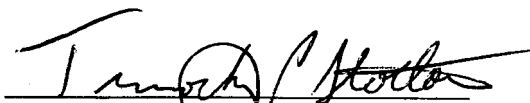
The University of Michigan Hospitals and Health Centers (UMHHC) is proposing to expand its surgical facilities at Mott Children's Hospital to accommodate increasing demand for pediatric surgical cases and pediatric magnetic resonance imaging (MRI) examinations.

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

Respectfully submitted,



Robert P. Kelch
Executive Vice President
for Medical Affairs

October 2003

APPROVED BY THE REGENTS ON
OCT 16 2003