THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST:

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
University Hospital Pharmacy Services Renovation Project

Action Requested: Approval to Proceed with Project

Background:

The Department of Pharmacy Services proposes to renovate existing space on
level B2 of University Hospital to improve efficiency and meet new pharmacy industry standards
for drug preparation. This project will consolidate several important functions into a single
operation and improve safety through tighter control of the drug preparation environment.

A 960 gross square foot renovation is planned. Improvements include creation of
a new anteroom to isolate drug preparation activity and specially designed areas for intravenous
and oral drug preparation. The scope of this project includes the architectural, mechanical and
electrical work necessary to accomplish these improvements. There will be no impact on
parking from this project.

The estimated cost of the project is $700,000, including $300,000 for equipment
and furnishings. Funding will be provided from the Hospitals and Health Centers' resources.
Initially, the project may be financed by increasing the commercial paper issuance under the
commercial paper program, secured by a pledge of General Revenues, and authorized by the
Regents. The architectural firm of A3C Collaborative Architecture will design the project.
Construction is scheduled to be completed by Fall 2005.

We recommend the Regents approve the University of Michigan Hospitals and
Health Centers (UMHHC)-University Hospital Pharmacy Services project as described and
authorize issuing the project for bids and awarding construction contracts providing that bids are
within the approved budget.

Respectfully submitted,

[Signatures]
Robert P. Kelch
Executive Vice President
for Medical Affairs

[Signature]
Timothy P. Sloan
Executive Vice President and
Chief Financial Officer

November 2004