Subject: University of Michigan Hospitals and Health Centers (UMHHC) Rachel Upjohn Building

Action Requested: Authorization to Issue Remaining Bid Packages and Award Construction Contracts

Background:

At the April 2004 meeting, the Regents approved the schematic design for the Rachel Upjohn Building (Ambulatory Psychiatry and Depression Center) and authorized issuing infrastructure improvements for bid and award. We now seek authorization to issue the remainder of the project for bids and award construction contracts.

A 112,000 gross square foot building will be constructed for the purpose of research, education, and treatment of those suffering from depression, and to provide other ambulatory psychiatry services. The facility will have three floors and will be constructed southwest of the existing East Ann Arbor Health Center. The infrastructure improvements underway include the installation of stormwater and sanitary sewer facilities and the re-routing of existing underground utilities.

The estimated cost of the project is $41,000,000. Funding will be provided from Hospitals and Health Centers' resources, gifts, and an NIH grant. 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. Construction is scheduled to be completed in Summer 2006.

We recommend the Regents authorize issuing the University of Michigan Hospitals and Health Centers Rachel Upjohn Building for bids and awarding construction contracts provided that bids are within the approved budget.

Respectfully submitted,

Robert P. Kelch
Executive Vice President
for Medical Affairs

Timothy P. Slottje
Executive Vice President and
Chief Financial Officer

November 2004