

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers  
Magnetic Resonance Imaging Scanner Project

Action Requested: Approval of Design and Authorization to Issue the Project for Bids and to Award a Construction Contract

Background:

At the February 1999 meeting the Regents authorized the purchase of a third magnetic resonance imaging (MRI) scanner for the Hospitals and Health Centers, site, and architect, with placement of the facility contiguous to the Mammography section of the East Ann Arbor facility. We are now requesting approval of the exterior design of the MRI addition, which will be presented by the architect, Albert Kahn Associates, Inc., during the meeting.

Contingent upon the Regents approval of the design, we are also requesting authorization to issue the project for bids and to award a construction contract to the lowest responsive bidder, providing the project remains within the authorized budget. The proposed budget breakdown is as follows:

Construction	\$1,918,900
Equipment and Furniture	4,101,300
Professional Fees	202,800
UM Fees	217,500
Contingency	<u>190,900</u>
TOTAL	\$6,631,400


The project is scheduled to be bid in phases, beginning in Summer 1999, and will be completed by the end of 2000. Funding will be provided by the Hospitals and Health Centers. The construction cash flow requirements may be financed, all or in part, from tax-exempt debt secured by a pledge of Hospital Gross Revenues. Hospitals and Health Centers' reserves will be used for that portion which is not financed.

Parking and transportation at the East Ann Arbor facility can accommodate this project.

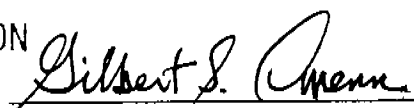
We recommend the Regents approve the design of the Magnetic Resonance Imaging Scanner addition to the East Ann Arbor Health Center as presented, and authorize issuing the project for bids and awarding a construction contract providing the project remains within the project budget.

Respectfully submitted,

APPROVED BY THE REGENTS ON

  
Robert Kasdin  
Executive Vice President  
and Chief Financial Officer

DMR 18 1999

  
Gilbert S. Omenn  
Executive Vice President  
and Chief Executive Officer,  
University of Michigan Health System

March 1999