

DEC 15 2005

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)  
Cardiovascular Center Project – Phase I  
Operating Room Expansion

Action

Requested: Approval to Proceed with Project

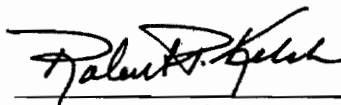
Background:

The Cardiovascular Center project (CVC), currently under construction, was initially approved by the Regents at the September 2002 meeting, and included approximately 40,000 gross square feet of shelled space. UMHHC proposes to complete the build-out of approximately 1,600 gross square feet of shelled space to accommodate the addition of two operating rooms. This expansion from six to eight operating rooms at CVC will allow for long-term growth and increase availability of operating rooms at University Hospital that are now utilized at a very high level. 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. A Certificate of Need will be required from the Michigan Department of Consumer and Industry Services for this project.

The estimated cost of the project is \$3,453,000. The project will be managed and tracked as part of the CVC project, and therefore its \$3,453,000 budget will be added to the previously approved CVC project budget of \$212,000,000, for a total project budget of \$215,453,000. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. Shepley, Bulfinch, Richardson and Abbott, architect for the CVC project, will design the operating room expansion. This project will not impact the CVC completion date of Spring 2007.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers Cardiovascular Center Project Phase I Operating Room Expansion project as described, authorize commissioning the architectural firm of Shepley, Bulfinch, Richardson and Abbott for its design, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Robert P. Kelch  
Executive Vice President  
for Medical Affairs



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

December 2005