

February 17, 2006

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATIONACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers
University Hospital
Clinical Laboratory Renovation

Action

Requested: Approval to Proceed with Project

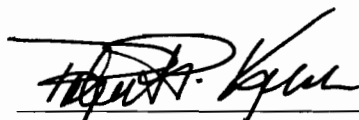
Background:

The Surgical Pathology Laboratories have experienced significant increases in activity during the past five years due to expansion of operating and procedure rooms, service demands related to transplant program expansion, and increased requests for specialty services including tissue procurement and molecular diagnostics. This project will renovate the surgical pathology laboratory, relocate the cytology laboratory, and add three new reading/scope rooms in the existing pathology laboratory space on the second floor of the University Hospital. This expansion will provide needed space for expanded laboratory volumes, improve specimen flow, and provide dedicated space for the cytology laboratory. The plan includes renovation of approximately 4,500 gross square feet of existing space. 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.

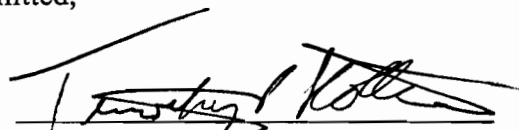
The estimated cost of the project, including moveable equipment and furnishings, is \$1,450,000. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. The architectural firm of SSOE Inc. will design the project. Construction is scheduled to be completed in Spring 2007.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers University Hospital Clinical Laboratory Renovation project as described, authorize commissioning the architectural firm of SSOE Inc. 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. Slotow
Executive Vice President and
Chief Financial Officer

February 2006