

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers
Multiple Buildings
Pneumatic Tube System Upgrade

Approved by the Regents
April 15, 2010

Action

Requested: Approval to Proceed with Project

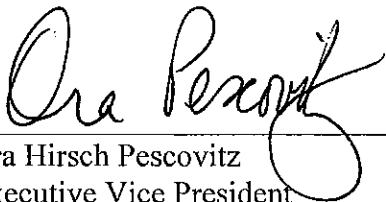
Background:

The pneumatic tube system connecting the University Hospital, C. S. Mott Children's Hospital, Cancer Center, A. Alfred Taubman Health Care Center, and Maternal Child Health Center is used to send and receive patient materials between more than 120 stations. The system was installed 23 years ago and is no longer supported by the company that installed it, making maintenance difficult. The system's controlling computer is outdated, negatively impacting reliability. This project will upgrade the pneumatic tube transportation system and interface with the C. S. Mott Children's and Von Voigtländer Women's Hospitals Replacement Project currently under construction. The upgraded system will increase security, provide 30 to 40 percent faster response and delivery transaction times, and increase the peak hour throughput of the system from 150 to 200 transactions per hour. 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 \$3,000,000. 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 Board of Regents. The firm Swisslog Healthcare Solutions will design the project. Construction is scheduled to be completed in the winter of 2011.

We recommend that the Board of Regents approve the University of Michigan Hospitals and Health Centers Multiple Buildings Pneumatic Tube System Upgrade project as described, authorize commissioning the firm Swisslog Healthcare Solutions for its design, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,



Ora Hirsch Pescovitz
Executive Vice President
for Medical Affairs



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

April 2010