

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Linear Accelerator Replacement Project

Action
Requested: Approval to Proceed with Project

Background:

The Department of Radiation Oncology provides radiation treatment services to cancer patients using linear accelerator technology located in University Hospital on level B2. The radiation treatment suite includes four linear accelerators, commissioned by the State of Michigan under Certificate of Need (CoN) regulations and radiation safety standards. Each accelerator is used to support approximately thirty-five (35) patient treatments per day over a twelve-hour shift, including approximately 1,300 new cases per year. Three of the four linear accelerators were replaced as part of two recent capital projects. The fourth accelerator was acquired in 1983 and is used for total body treatment of bone marrow transplant patients. This project proposes replacing that accelerator as due to its age and the extended use, it experiences recurring downtime and requires frequent repair and maintenance.


The project includes renovation of approximately 1,000 gross square feet of existing treatment area and an adjacent control room. The scope of the project includes the architectural, mechanical and electrical work necessary to accomplish the equipment replacement. We anticipate no impact on parking needs associated with this renovation. A Certificate of Need from the Michigan Department of Consumer and Industry Services (MDCIS) is required for the replacement of the linear accelerator.

The estimated project cost is \$2,258,000, with just over \$1.5 million allocated for moveable equipment, and the remainder for construction, professional fees and contingencies. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, from tax-exempt debt secured by a pledge of Hospital Gross Revenues. 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 the spring of 2003.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers' Linear Accelerator Replacement Project as described, and authorize issuing the project for bids and awarding construction contracts providing that the bids are within the approved budget

Respectfully submitted,


Timothy P. Slottow
Interim Chief Financial Officer


Lazar J. Greenfield
Interim Executive Vice President
for Medical Affairs

September 2002

APPROVED BY THE REGENTS ON
SEP 19 2002