

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers (UMHHC)
Pediatric Cardio/Thoracic Unit Expansion Project

Action
Requested: Approval to Proceed with Project

Background:

The Pediatric Cardio/Thoracic Unit (PCTU) is a twelve-bed inpatient area located on the fifth floor of C.S. Mott Children's Hospital. The PCTU has experienced high occupancy over the past two years and demand for PCTU care frequently exceeds our present supply of inpatient beds. As a result, a three-bed expansion of the PCTU is proposed to provide additional capacity. Existing support space on the unit will be converted to patient care use.


The proposed project will renovate 2,030 gross square feet of space. The project scope includes the architectural, mechanical, electrical work and construction phasing necessary to accomplish the proposed improvements. We anticipate no impact on parking needs associated with this renovation.

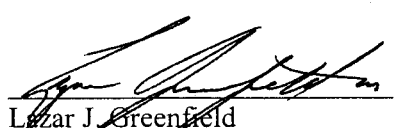
The estimated project cost is \$890,000, with approximately \$461,000 for moveable equipment and the remainder for construction, professional fees and contingencies.

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 complete in spring 2003.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers' Pediatric Cardio/Thoracic Unit Expansion 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. Sittow
Interim Chief Financial Officer


Lezar J. Greenfield
Interim Executive Vice President
for Medical Affairs

September 2002

APPROVED BY THE REGENTS ON

SEP 19 2002