

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents  
July 16, 2009

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers  
University Hospital  
Central Sterile Supply Expansion

Action Requested: Approval to Proceed with Project

Background:

Surgical procedure activity in the University Hospital operating rooms has increased by 30 percent since 1995. The volume of instrumentation requiring sterilization has exceeded the capacity of the current processing facilities. To achieve improvements in space, equipment, and work process, an expansion of the central sterile supply area on level B2 of University Hospital is proposed. A renovation of approximately 16,000 gross square feet of space will consolidate surgical instrument processing, assembly, sterilization and storage operations. The scope of the project includes the architectural, mechanical, and electrical work necessary to accomplish these improvements. A Certificate of Need will be required from the State of Michigan Department of Community Health for this project. There will be no impact on parking from this project.

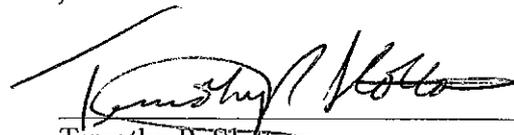
The estimated cost of the project is \$6,900,000. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Board of Regents. The architectural firm of Hobbs and Black Associates, Inc. will design the project. A phased construction schedule is planned in order to minimize disruption to operations with construction scheduled to be completed in the winter of 2012.

We recommend that the Board of Regents approve the University of Michigan Hospitals and Health Centers University Hospital Central Sterile Supply Expansion project as described, authorize the commissioning the architectural firm of Hobbs and Black Associates, 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,



Ora Hirsch Pescovitz  
Executive Vice President  
for Medical Affairs



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

July 2009