Subject: University of Michigan Hospitals and Health Centers
       University Hospital
       2007 Emergency Department Expansion

Action
Requested: Approval to Proceed with Project

Background:

Visits to the University Hospital Emergency Department (ED) have increased by
21% in the past five years. This increase in demand, along with high inpatient occupancy, result
in regular congestion in the fifty-six bay ED area. The Health System has developed a phased
plan to create new capacity within the ED to reduce overcrowding and to improve efficiency and
patient flow. Administrative and support spaces within the Radiology Department adjacent to the
ED are programmed to be relocated to other areas within the hospital complex. The proposed
first phase of the ED expansion will renovate approximately 2,100 gross square feet to expand
the ED into the space vacated by the Radiology Department, to allow the addition of ten patient
bays, a combined nurse station and medication space, a patient restroom and utility rooms. 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 $2,330,000. 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
Niagara Murano 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 2007 Emergency Department Expansion project as
described, authorize commissioning the architectural firm of Niagara Murano 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

October 2006

Timothy P. Slottow
Executive Vice President and
Chief Financial Officer