

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the Regents

June 16, 2006

ACTION REQUEST

Subject: University of Michigan Hospitals and Health Centers  
University Hospital  
Pharmacy Services Renovation

Action

Requested: Approval of Revised Budget

Background:

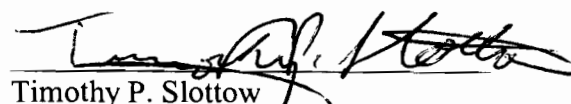
The University Hospital Pharmacy Services Renovation project was originally approved by the Regents in November 2004, with a budget of \$700,000, to improve the air quality in the clean room to federal standards. The project goal is to create a "clean room" environment required for sterile pharmaceutical compounding. During design, it became apparent that in order to ensure the space met these standards, high-efficiency particulate air (HEPA) filters would be required. The existing heating, ventilation and air-conditioning (HVAC) system for the space cannot accommodate HEPA filtration, resulting in a need to completely redesign the system in that area. The new HVAC system with HEPA filtration will ensure that stringent quality standards will be met for years to come, and is the best solution to enhance patient safety. The scope of the renovations has increased slightly from approximately 960 gross square feet to approximately 1,100 gross square feet. 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 revised estimated cost of the project is \$850,000. 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 Ann Arbor Architects Collaborative 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 Pharmacy Services Renovation project and revised budget as described, authorize commissioning Ann Arbor Architects Collaborative for its design, and authorize issuing the project for bids and awarding construction contracts providing that bids are within the approved budget.

Respectfully submitted,

  
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Robert P. Kelch  
Executive Vice President  
for Medical Affairs

  
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Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

June 2006