

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents

September 18, 2008

Subject: University of Michigan Hospitals and Health Centers
A. Alfred Taubman Health Center
Level B1 Medical Observation Unit

Action
Requested: Approval to Proceed with Project

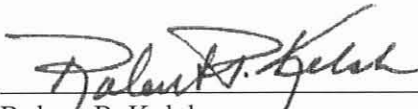
Background:

Occupancy levels at the University Hospital continue to be very high. Observation care is considered an outpatient activity not requiring a licensed inpatient bed, and this activity has experienced significant growth over the past two years. This project will free inpatient beds by creating a new observation care unit on Level B1 of the Taubman Health Center adjacent to the University Hospital Emergency Department. An approximately 7,200 gross square foot renovation will convert space being vacated by Medical Information Services to space that meets inpatient standards, but is designated for this outpatient use. The unit will include 18 medical observation bays equipped with emergency power and appropriate medical gases, a reception and waiting area, offices, and support spaces. 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 \$5,900,000. 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 Regents. The architectural firm of Integrated Design Solutions, LLC will design the project. Construction is scheduled to be completed in Summer 2009.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers A. Alfred Taubman Health Center Level B1 Medical Observation Unit project as described, authorize commissioning the architectural firm of Integrated Design Solutions, LLC 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



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

September 2008