

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ACTION REQUEST

Approved by the Regents

September 22, 2006

Subject: University of Michigan Hospitals and Health Centers
University Hospital
Neurosurgery Intensive Care Unit Bed Expansion

Action

Requested: Approval to Proceed with Project

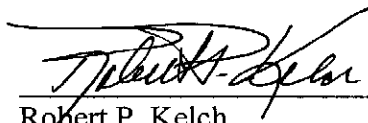
Background:

The Neurosurgery Intensive Care Unit (Neuro-ICU) is a ten-bed suite located on University Hospital Level 4D South that operates consistently at 90% or higher occupancy. The adjacent Thoracic Intensive Care Unit is scheduled for relocation to the new Cardiovascular Center in June 2007. This project will renovate approximately 8,100 gross square feet to expand the Neuro-ICU into the vacated space and increase its capacity to fifteen beds. In addition, the project will complete the facility-to-facility access corridor between the University Hospital and Cardiovascular Center on the fourth level. Actual opening of the corridor will be delayed until the bed expansion project is completed, minimizing disruptions to neuro-intensive patient care. The scope of this project includes the architectural, mechanical and electrical work necessary to accomplish these improvements. A Certificate of Need will be required from the Michigan Department of Consumer and Industry Services for this project. There will be no impact on parking from this project.

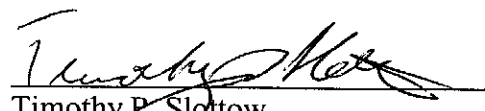
The estimated cost of the project is \$4,200,000. Funding will be provided from Hospitals and Health Centers' resources. The construction cash flow may be provided, all or in part, by increasing the commercial paper issuance under the commercial paper program, secured by a pledge of General Revenues, and authorized by the Regents. The architectural firm of Integrated Design Solutions, LLC will design the project. Construction is scheduled to be completed in Spring 2008.

We recommend that the Regents approve the University of Michigan Hospitals and Health Centers University Hospital Neurosurgery Intensive Care Unit Bed Expansion project as described, authorize commissioning of 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 2006