

Contact: Joan Racki

REGISTER OF UNIVERSITY OF IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider approval of:

1. The following actions for the **Iowa River Landing Procedure Suite Development** project:
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachment A);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including a waiver of the design professional selection process and the selection of Neumann Monson Architects for the project.
2. The project descriptions and budgets for the **Utilities Distribution System – Extend Utilities on Court Street** project (\$6,414,325) and **Utilities Distribution System – Replace Steam and Condensate Lines to UIHC Roy Carver Pavilion** project (\$3,636,000).
3. The utilization of a construction manager for the **Family Medicine Center – Hawkeye Campus** project.

Executive Summary:

The University requests permission to proceed with project planning for **Iowa River Landing – Procedure Suite Development** project, which would develop a multidisciplinary procedure suite on level 5 of the Iowa River Landing (IRL) medical office building by finishing approximately 14,000 square feet of shelled-in space. The four procedure rooms would be used for endoscopic, upper gastroenterology and urology procedures and would be designed with flexibility to accommodate outpatient procedures that may be performed in the future by the Departments of Ophthalmology and Gynecology. The University also requests a waiver of the design professional selection process and the selection of Neumann Monson Architects of Iowa City for the project; Neumann Monson was the architect of record for the recently completed IRL building; the firm would bring experience and a knowledge base for an efficient execution of the professional services required for the project. The estimated project cost of \$7.4 million would be funded by University Hospitals Building Usage Funds.

The University requests approval of the project descriptions and budgets for the **Utilities Distribution System - Extend Utilities on Court Street** and **Utilities Distribution System - Replace Steam and Condensate Lines to UIHC Carver Pavilion** projects. The Court Street project would install utilities along Court Street from Madison Street to Clinton Street to support the new School of Music building, as well as add capacity for future growth in this area of campus. The project budget of \$6,414,325 would be funded by utility system revenue bonds. A map showing the location of the project is included as Attachment B.

The replace steam and condensate lines project would replace existing steam and condensate lines serving the UIHC Roy Carver Pavilion, and the Wendell Johnson Speech and Hearing Center. Funding for the budget of \$3,636,000 would be provided by utility system renewal and improvement funds. A site map including the proposed routing is included as Attachment C.

The University requests authorization to use a construction manager – agent for the **Family Medicine Center – Hawkeye Campus** project for which the Board approved the schematic design and project description and budget (\$14,607,066) at its October 2012 meeting. UIHC reports that at project inception the need for a construction manager was not evident. With the approved design and subsequent proposed separate bid packages, UIHC believes that hiring construction management services for the construction phase of the project will enable the project to be kept on schedule, with the work of all trades being optimally timed and coordinated. The construction manager would oversee project schedules and all construction activities, coordinate multi-bid packages with multiple prime contractors to assure coordination between trades, provide coordination of change order costs across the separate bid packages and trades, review submittals to assure coordination between construction phases, and assure progress payments are made according to completion percentages.

Details of the Projects:

Iowa River Landing Procedure Suite Development

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		Feb. 2013	Requested
Selection of Design Professional (Neumann Monson; Iowa City)		Feb. 2013	Requested
Initial Review and Consideration of Capital Project Evaluation Criteria		Feb. 2013	Receive Report

The finishing of 14,000 square feet of shelled-in space on level 5 of the IRL building would include development of four procedure rooms and the necessary facilities for patient reception and waiting, preparation and recovery, instrument and equipment storage, and other clinical support services. The project would also include the installation of a second service elevator to accommodate better the provision of services and movement of staff, supplies and equipment throughout the building. The remaining 13,000 square feet of level 5 shelled-in space would be finished at a later date as a separate project.

A significant number of the procedures to be performed in the completed space would be endoscopic procedures directed towards the early diagnosis and prevention of colorectal cancer, which is the second most common cause of cancer-related death in the United States. Gastroenterologists and surgeons at the University of Iowa currently perform these tests in UIHC's Center for Digestive Diseases Procedure Unit (Center); there is currently a significant backlog for screening colonoscopies. The development of a procedure suite at the IRL building would provide a comfortable environment for these tests, while reducing congestion at

the Center, and enhancing access and convenience. Other procedures to be performed in the new procedure unit include upper gastroenterology procedures and urology procedures, including placement of stents, vasectomies and prostate biopsies.

Utilities Distribution System – Extend Utilities on Court Street

<u>Project Summary</u>			
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		June 2012	Approved
Selection of Design Professional (Shive-Hattery, Iowa City)		June 2012	Approved
Design Professional Agreement	\$ 188,076	July 2012	Not Required*
Design Professional Amendment	146,000	Jan. 2013	Not Required*
Project Description and Budget	6,414,325	Feb. 2013	Requested

*Approved by Executive Director, consistent with Board policies

Utility extensions include low pressure steam and condensate, chilled water, domestic water main and a segment of the electrical duct bank and associated vaults. The project also includes extension of utilities to a site in Lot 11 that could serve as a location for temporary boilers in the event of a flood or other unplanned occurrence. (Lot 11 is bordered by Court, Capitol, Prentiss and Madison streets.)

<u>Project Budget</u>	
Construction	\$5,205,052
Planning and Design	690,042
Contingency	<u>519,231</u>
TOTAL	<u>\$6,414,325</u>

Source of Funds: Utility System Revenue Bonds

Utilities Distribution System – Replace Steam and Condensate Lines to UIHC Roy Carver Pavilion

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		Sept. 2012	Approved
Selection of Design Professional (Shive-Hattery, Iowa City)		Sept. 2012	Approved
Design Professional Agreement (Shive-Hattery, Iowa City)	\$ 221,000	Oct. 2012	Not Required*
Project Description and Budget	3,636,000	Feb. 2013	Requested

*Approved by Executive Director, consistent with Board policies

The existing steam line between Hawkins Drive and UIHC Roy Carver Pavilion is operating beyond its expected life and is failing. The new steam and condensate lines would increase the reliability of the distribution system by providing redundancy for UIHC and West campus buildings, including the steam driven chillers in Chilled Water Plant 2.

Project Budget

Construction	\$2,887,226
Planning and Design	460,774
Contingency	<u>288,000</u>
TOTAL	<u>\$3,636,000</u>

Source of Funds: Utility System Renewal and Improvement Funds

Family Medicine Center – Hawkeye Campus

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Feb. 2011	Withdrawn
Initial Review and Consideration of Capital Project Evaluation Criteria		Feb. 2011	Withdrawn
Permission to Proceed		April 2011	Approved
Initial Review and Consideration of Capital Project Evaluation Criteria		April 2011	Received Report
Design Professional Agreement (Bergland + Cram; Mason City, IA)	\$ 1,028,400	Dec. 2011	Not Required*
Program Statement		Aug. 2012	Not Required*
Schematic Design		Oct. 2012	Approved
Project Description and Budget	14,607,066	Oct. 2012	Approved
Final Review and Consideration of Capital Project Evaluation Criteria		Oct. 2012	Approved
Utilization of Construction Manager - Agent		Feb. 2013	Requested

*Approved by Executive Director, consistent with Board policies

The Family Medicine Center – Hawkeye Campus provides for development of a Family Medicine Center on the University of Iowa’s Hawkeye Campus as a major component of the University’s Hawkeye Campus Master Plan. The Center would replace the current Family Medicine component of UIHC’s Family Care Center, now located on the lower level of the Pomerantz Family Pavilion, and would provide the Department of Family Medicine with replacement facilities for its clinical services, departmental offices, and educational and clinical research areas.

The Center will provide a clinical environment for a network of family medicine physicians to enhance the delivery of comprehensive primary care services. In addition to providing space for patients requiring primary care medical services, the facility would also include space for residency training, continuing education support and fellowship training in the areas of Geriatrics, Sports Medicine, and faculty development and research. The 45,000 gross square foot facility is being funded by University Hospitals Building Usage Funds.

Iowa River Landing Procedure Suite Development
Evaluation Criteria

Since the project meets the Board's definition of a major capital project, the University has provided the following information in response to the Board's evaluation criteria.

Institutional Mission / Strategic Plan: Completion of this project will contribute to UI Hospitals and Clinics' efforts in meeting all elements of the UI Health Care mission, "Changing Medicine, Changing Lives." It will greatly enhance the UI Hospitals' capabilities for delivering superb patient care, innovative educational programs and facilitating pioneering discoveries. The project is also supportive of each of the six major goals that have been established in UI Health Care's Strategic Plan for FY 2010-2013 by providing the facilities that are required to assist UI Health Care's efforts 1) to provide world class healthcare services to optimize health for everyone, 2) to advance world class discovery through excellence and innovation in biomedical and health services research, 3) to develop world class health professionals and scientists through excellent, innovative and humanistic educational curricula for learners at every stage, 4) to foster a culture of excellence that values, engages and enables our workforce, 5) to create an environment of inclusion where individual differences are respected and all feel welcome, and 6) to optimize a performance-driven business model that assures financial success.

Completion of this project will be of significant benefit to UI Health Care in meeting its patient care mission by providing space to assist in accommodating the continued growth in outpatient services at the Iowa River Landing location. Since this facility became operational in October, 2012, it has seen greater growth than projected in a number of the patient care services now provided at this new clinical location.

Other Alternatives Explored: An alternative to expand UIHC's Center for Digestive Diseases Diagnostic and Therapeutic Unit, on level 4 of John Colloton Pavilion, was evaluated but determined not to be viable due to the lack of adequate space to accommodate the needed procedure rooms and support facilities that will be required by gastroenterology and other clinical services that will utilize these procedure rooms. The development of this procedure suite in UIHC's Iowa River Landing medical office building will provide the necessary space to accommodate the needed facilities, facilitate their use for procedures performed by gastroenterologists, urologists and physicians from other clinical services, and provide for enhanced patient access and convenience.

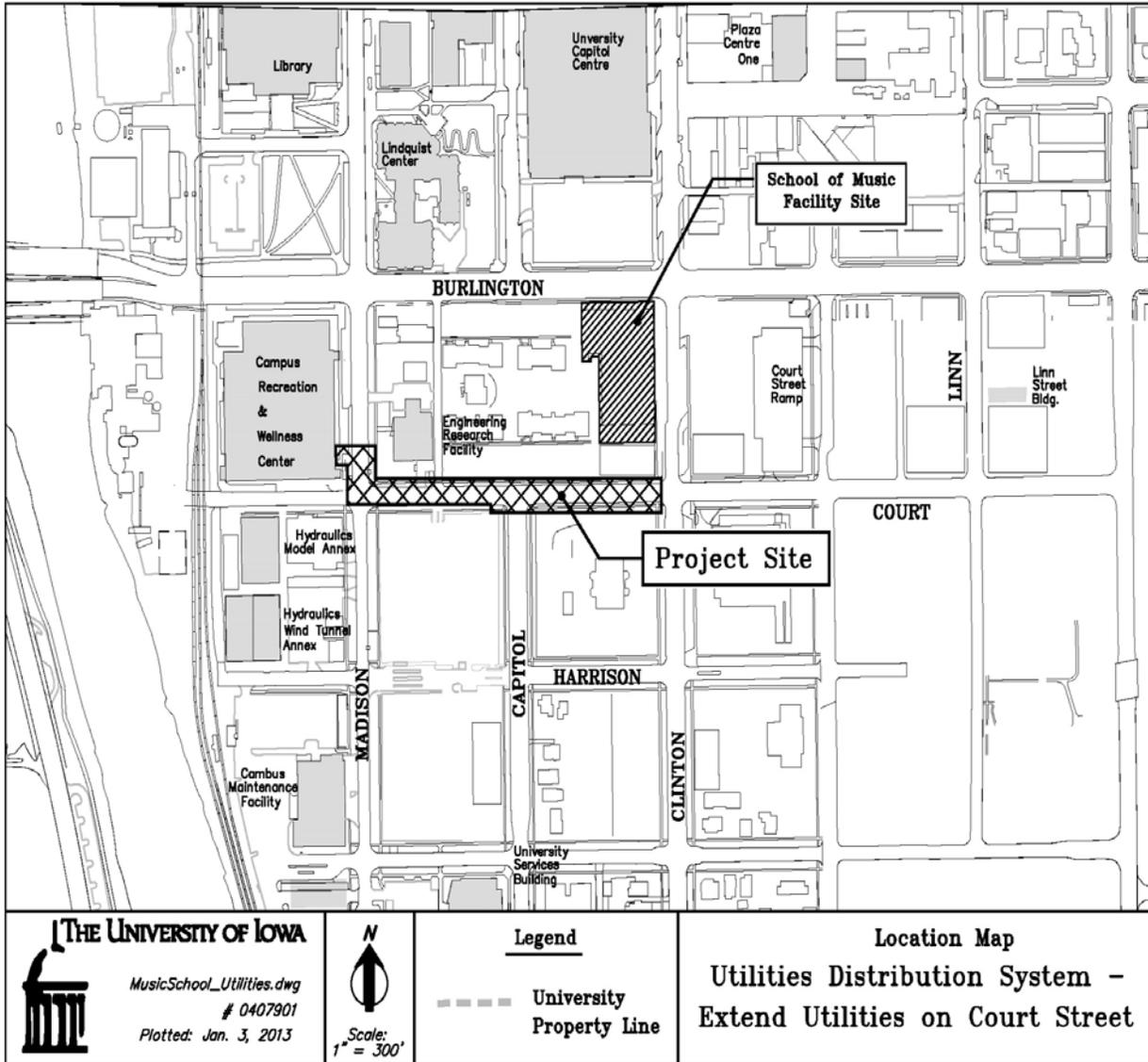
Impact on other Facilities and Square Footage: This project will not result in the abandonment or demolition of existing facilities. The existing Center for Digestive Diseases Procedure Unit's facilities will continue to be used for inpatient procedures and as a location for outpatient procedures where it would be more clinically efficacious to do so in a hospital setting.

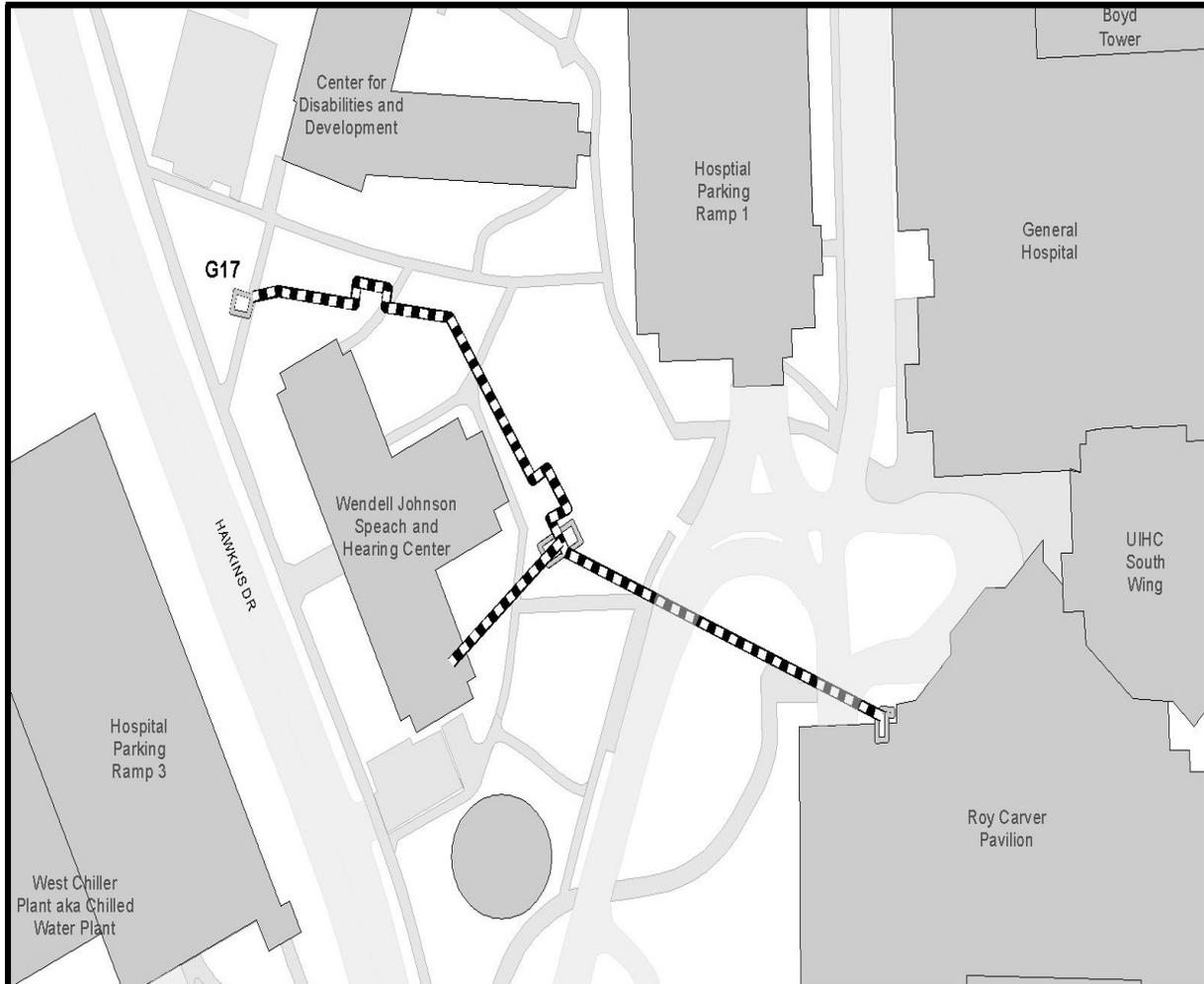
Financial Resources for Construction Project: The project will be funded through University Hospitals Building Usage Funds acquired from depreciation allowances of third parties underwriting the cost of patient care plus hospital net earnings from paying patients. No state capital appropriated dollars will be involved. The preliminary estimate for the internal rate of return over the life of the project is 31%.

Financial Resources for Operations and Maintenance: The source of funds to cover the additional operating costs associated with the incremental increase in building space will be hospital operating revenues derived from providing patient care services.

External Forces Justifying Approval: Currently, there are approximately 200,000 men and women over the age of 45 residing within the 10-county primary service area surrounding UIHC. This population is expected to increase by 9% over the next 5 years. According to the Centers for Disease Control and Prevention, 2007-2009, the Colorectal Cancer Screening Prevalence among adults aged 50 and older in Iowa is 60.5%, a ranking of 26th in the country. The Medicare Shared Savings Program, regulations for Accountable Care Organizations (ACO) includes a screening colonoscopy for *all* enrolled members between the ages of 50 and 75. As previously indicated, UIHC's endoscopic procedure rooms are not adequate to meet the current demand, let alone the demand generated by these ACO regulations. Development of additional procedure rooms and support facilities at the Iowa River Landing medical office building will accommodate the projected future need and do so in a more convenient, accessible and patient-friendly manner.

The project's design will meet all building codes and standards, as well as the most recently published 2010 Edition of the Guidelines for Design and Construction of Hospital and Healthcare Facilities, published by the Facility Guidelines Institute. These guidelines regulate hospital licensing and construction in Iowa and most other states and are used by Medicare and the Joint Commission to develop new regulations and standards. The design will also meet Health Insurance Portability and Accountability Act (HIPAA) requirements for patient privacy and confidentiality.





<p> THE UNIVERSITY OF IOWA Date: 8/3/2012 Name: FountainToSHC_BOR</p>	<p>N  1 inch = 80 feet</p>	<p>Location Map Utilities Distribution System- Replace Steam And Condensate Lines To UIHC Carver Pavilion</p>
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