

Contact: Jean Friedrich

UNIVERSITY OF IOWA – EQUIPMENT PURCHASE

Action Requested: Consider approval of the equipment purchase of a Pneumatic Tube Delivery System at an estimated cost of \$4,600,000.

Executive Summary: The University of Iowa Hospitals and Clinics (UIHC) requests approval to proceed with the purchase of a Pneumatic Tube Delivery System from Swisslog Healthcare Solutions.

Description of Equipment

The Pneumatic Tube Delivery System transports patient specimens and patient-related material throughout the hospitals' patient care units, clinical laboratories, pharmacies and other locations.

Justification of need for Equipment

The existing UIHC pneumatic tube system is nearly 30 years old and is technologically outmoded, unreliable to operate, and difficult and costly to maintain. Its antiquated design results in overloaded conditions and frequent transport delays. A 16-month independent study of this system conducted by Improvement Path Systems, a national firm with expertise in pneumatic tube delivery systems, resulted in the recommendation to either significantly upgrade the existing 4x7 inch oval system or replace the entire system. As 4x7 tube systems are replaced throughout the country, parts and service for these systems will become more difficult to secure. After further analysis, it was determined that attempts to upgrade the system would not be prudent, and that the purchase and installation of a new modern 6-inch round system would guarantee that UIHC would have a system with mainstream technology, enabling a wider support system for upgrades and maintenance.

Any Known Alternatives to the Equipment Proposed

After a competitive bidding process, two vendors submitted proposals, and the University's Evaluation Committee determined the proposal submitted by Swisslog Healthcare Solutions was the most responsive and best value.

Estimated Cost and Source of Funding

The estimated cost of the Hospital-Wide Pneumatic Tube Delivery System is \$4,600,000, and the source of funding for this purchase will be University Hospitals Building Usage Funds during FY 2007. The associated project construction cost is estimated at \$1,900,000 which the Board will be requested to approve on the University's Capital Register in October or November 2006.

Board Policy

Chapter 7.05B(12) of the Regent Policy Manual requires that:

- Equipment costing more than \$1,000,000 must be submitted to the Board for approval; and
- Requests submitted to the Board Office for approval must include the following information:
 - Description of the equipment;
 - Justification of the need for the equipment;
 - Any known alternatives to the equipment proposed; and
 - Estimated cost and source of funding.