

Contact: Sheila Doyle

REGISTER OF UNIVERSITY OF IOWA CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider recommending to the Board approval of:

1. The following actions for the **University Hospitals and Clinics – Urology Clinic Renovation and Expansion** and the **Services Complex** projects, major capital projects as defined by Board policy.
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (see Attachment A for **Urology Clinic Renovation and Expansion** project and Attachment B for **Services Complex** project);
 - b. Accept the Board Office recommendation that the projects meet the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the architectural selection process for the **Urology Clinic Renovation and Expansion** project and authorize permission to proceed with project planning and the selection of OPN Architects, Cedar Rapids, Iowa, to provide services as a project manager for the **Services Complex** project.
2. The remainder of the Capital Register.

Executive Summary: The **University Hospitals and Clinics – Urology Clinic Expansion and Renovation** project would expand and renovate the Department of Urology ambulatory care clinic located in approximately 14,500 gross square feet of space on the third floor of the Carver Pavilion at an estimated project cost of \$2.5 million; the project would be funded by University Hospitals Building Usage Funds.

Since 1982, the Clinic's patient visits have increased on average by approximately 2.3 percent per year (a total increase of 53 percent to date); this trend is projected to continue at an annual rate of approximately 3 percent per year for the foreseeable future. To accommodate its current and projected growth in patient volume, the Clinic requires additional examination rooms and expanded support facilities, as well as improvements in design and space usage to ensure efficient patient care services, and patient privacy and confidentiality.

The **Services Complex** project would construct a 52,000 square foot industrial-type building on the far south campus to house the majority of the Facilities Management functions to be relocated from the Recreation Center site. (See Agenda Item 2e.) The building would connect with an existing Facilities Management metal storage building located immediately southwest of the University Services Building. The new facility would provide high bay space for shop operations and standard height space on a main level and a mezzanine for other functions such as fire inspection and equipment services. According to the University, construction of the new building and its connection to the existing structure would improve Facilities Management operational and management efficiencies by consolidating these functions within the same geographic area.

A preliminary cost estimate for the services complex relocation, which includes construction of this facility, is \$7.8 million, which would be funded by trade service capital replacement funds, a contribution from the Recreation Center project, and an internal University loan to be repaid with trade services capital funds to be collected in the future.

The University requests approval for the selection of OPN Architects, Cedar Rapids, Iowa, to provide services as a project manager for the project. Since the proposed facility is expected to consist of a pre-engineered, industrial-type facility, standard architectural services would not be required. OPN would assist the University in developing an outline specification to be used in competitive bidding by contractors specializing in pre-engineered buildings. The University anticipates using the services of OPN with other industrial layout specialists to analyze space and program requirements for the building's interior.

As indicated with permission to proceed in September 2005, the **Melrose Avenue Chilled Water Extension** project would extend chilled water lines along a portion of Melrose Avenue and to the UIHC Pomerantz Family Pavilion, continuing the University's efforts to increase chilled water service for the west campus facilities in response to projected future demand. The project budget of \$3,093,000 is an increase from the initial estimate of \$1,900,000; the University attributes the increase to a more clearly defined project scope and additional costs associated with multiple project phases (which are now planned to reduce disruptions to vehicular and pedestrian traffic, UIHC operations, and Melrose Avenue residents), the tight project site, and projected construction material cost increases. The project would be funded by Utility System Revenue Bonds.

The design agreement to be negotiated with the selected engineering firm, Shive-Hattery, Iowa City, Iowa, would provide full design services for the project; the negotiated agreement would be forwarded for Executive Director approval in accordance with Board procedures.

The University requests approval of the selection of the following firms for the identified projects:

HLM Design USA, Iowa City, Iowa, to provide full design services for the **University Hospitals – Autopsy Suite Relocation** project which would renovate space in the General Hospital to provide a modern, academic autopsy/forensic pathology facility.

Rohrbach Associates, Iowa City, Iowa, to provide design services for the **College of Public Health Academic Building** project which would construct a dedicated classroom and office building for the College that would provide the appropriate educational facilities, accommodate planned additional growth, and establish an official home for the College.

InVision Architecture, Waterloo, Iowa, to provide design services for the **Art Building – Phase 2 – Renovation** project which would renovate the existing building, including correction of deferred maintenance and inadequate building ventilation.

Details of Projects:

University Hospitals and Clinics – Urology Clinic Expansion and Renovation

<u>Project Summary</u>			
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Initial Review and Consideration of Capital Capital Project Evaluation Criteria		Feb. 2006	Receive Report
Permission to Proceed		Feb. 2006	Requested

The evaluation criteria for the project are included as Attachment A to this Agenda Item.

Services Complex

<u>Project Summary</u>			
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Initial Review and Consideration of Capital Project Evaluation Criteria		Feb. 2006	Receive Report
Permission to Proceed		Feb. 2006	Requested
Project Manager Selection – OPN Architects, Cedar Rapids, IA		Feb. 2006	Requested

The evaluation criteria for the project are included as Attachment B to this Agenda Item.

OPN Architects was selected based on its work developing the Relocation Master Plan and its familiarity with the University's Facilities Management program, the Recreation Center project and the associated relocation requirements, and the proposed Services Complex.

Melrose Avenue Chilled Water Extension

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Sept. 2005	Approved
Project Description and Budget	\$ 3,093,000	Feb. 2006	Requested
Engineer Selection (Shive-Hattery, Iowa City, IA)		Feb. 2006	Requested

Expressions of interest to provide design services for the project were received from three firms; subsequent to the receipt of the proposals, one of the three firms withdrew its name from consideration. The University reviewed the capabilities of the remaining two firms and determined that only Shive-Hattery has the necessary qualifications for the project. Accordingly, the University requests approval of the selection of Shive-Hattery, Iowa City, Iowa. The firm was selected based on its understanding of the project, its outstanding work on similar projects, and its experience and technical qualifications.

University Hospitals – Autopsy Suite Relocation

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Initial Review and Consideration of Capital Project Evaluation Criteria		Nov. 2005	Received Report
Permission to Proceed with Project Planning		Nov. 2005	Approved
Architectural Agreement (HLM Design USA, Iowa City, IA)		Feb. 2006	Requested

Expressions of interest to provide design services for the project were received from four firms; three firms were selected for interviews with an institutional Architectural Selection Committee, in accordance with Board procedures for projects of \$1 million or more. Based on the Committee's recommendation, the University requests approval of the selection of HLM Design USA, Iowa City, Iowa. The firm was selected based on the qualifications of its autopsy consultant, its extensive knowledge of the UIHC mechanical and electrical systems, and the quality of its presentation.

College of Public Health Academic Building

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Initial Review and Consideration of Capital Project Evaluation Criteria		Aug. 2005	Received Report
Permission to Proceed		Aug. 2005	Approved
Presentation on University's Capital Request		Nov. 2005	Received
Architectural Selection (Rohrbach Associates, Iowa City, IA)		Feb. 2006	Requested

Expressions of interest to provide design services for the project were received from ten firms; four firms were selected for interviews with an institutional Architectural Selection Committee, in accordance with Board procedures for projects of \$1 million or more. Based on the Committee's recommendation, the University requests approval of the selection of Rohrbach Associates, Iowa City, Iowa. The firm was selected based on its understanding of the project, its outstanding work on similar projects, and its experience and technical qualifications.

The University anticipates that two agreements would be negotiated with the firm (the initial agreement would be for project planning through schematic design, and the second agreement for the remaining design services); the agreements would be forwarded for Executive Director approval in accordance with Board procedures.

Art Building

<u>Project Summary</u>			
	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
<u>Phase 1 and 2</u>			
Permission to Proceed		July 1998	Approved
Architectural Agreement—50 Percent of Schematic Design (Herbert Lewis Kruse Blunck, Des Moines, IA/Steven Holl Architects, New York, NY)	\$ 302,385	Dec. 1998	Approved
Architectural Amendment #1	260,000	March 2002	Ratification*
<u>Phase 1</u>			
Program Statement		Nov. 2001	Approved
Schematic Design		March 2002	Approved
Architectural Agreement—Design Dev. Through Construction Phase Services (Herbert Lewis Kruse Blunck)	1,495,444	April 2002	Approved
Project Description and Budget	20,483,000	July 2002	Approved
Construction Contract Award (Larson Construction Company)	13,684,000	May 2003	Ratified
Design Agreement – Fixtures, Furniture and Equipment (Steven Holl Architects, New York, NY)	86,000	June 2005	Not Required*
<u>Phase 2</u>			
Architectural Selection (InVision Architecture, Waterloo, IA)		Feb. 2006	Requested

* Approved by Executive Director in accordance with Board procedures.

Expressions of interest to provide design services for the Phase 2 project were received from 12 firms; three firms were selected for interviews with an institutional Architectural Selection Committee, in accordance with Board procedures for projects of \$1 million or more. Based on the Committee's recommendation, the University requests approval of the selection of InVision Architecture, Waterloo, Iowa. The firm was selected based on its understanding of the project, its outstanding work on similar projects, and its experience and technical qualifications.

The University anticipates that two agreements would be negotiated with the firm (the first agreement for scope definition and preliminary planning services, and the second agreement for the remaining design services); the agreements would be forwarded for Executive Director approval in accordance with Board procedures.

University Hospitals and Clinics – Urology Clinic Renovation and Expansion
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 provide the Department of Urology with the facilities required for it to meet its mission of providing outpatient services of the highest quality and efficiency. The department's educational and research missions will also be enhanced through development of the necessary space to more effectively provide residency training and to conduct innovative clinical research. The project also supports several of the UIHC's Strategic Plan goals, most notably by providing a continuously improving, safe environment for all patients and staff; by providing the necessary facilities for developing and implementing new and more efficient healthcare delivery models that emphasize a quality-driven patient experience, and, by implementing a facilities plan that supports the projected future needs for the UIHC and provides facilities that enhance a patient-centered experience, in conjunction with UIHC's goals.

Other Alternatives Explored: The possibility of relocating the Urology Clinic to the Pomerantz Family Pavilion and consolidating the department's procedural services in another location with those of other departments was explored. It was determined that this model would be less efficient than maintaining all of the department's services in one location. Thus, the proposed plan is the most viable alternative for accommodating the growth in this service's ambulatory care patient volume while providing functionally efficient, comfortable and attractive facilities. The decision to renovate the existing clinic facilities and make use of space formerly occupied by the Department of Radiology is the most cost effective mechanism to meet the goals of this project.

Impact on Other Facilities and Square Footage: This project will not result in the abandonment, transfer or demolition of existing facilities.

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 estimated internal rate of return over the life of this project is 7 %.

Financial Resources for Operations and Maintenance: The source of funds to cover the associated operating and maintenance costs will be hospital operating revenues derived from providing patient care services.

External Forces: The renovation and expansion of this ambulatory care clinic is an important element in enabling the UIHC to meet all components of its tri-partite mission. Patient care will be enhanced through expanded clinic examination and support facilities and the design of these facilities will be focused on providing a more comfortable and patient-friendly environment. The design will meet Health Insurance Portability and Accountability Act (HIPAA) requirements for patient privacy and confidentiality. Improvements will be made in the facilities required for the training of residents and the education of medical student to facilitate their interaction with attending physicians, thereby enhancing the level of compliance of these teaching programs with their accrediting agencies. Additional space will also permit more research subjects to participate in clinical trials in proximity to their patient care, thereby enhancing opportunities to gain support for other funded clinical research studies.

Services Complex
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: The project has become necessary due to facility dislocation related to the Campus Recreation Center. This new Campus Recreation Center building will require the relocation of Facilities Management functions along with the University of Iowa Department of Public Safety. The proposed trade shops relocation will consolidate and modernize the outdated facilities that will be removed in preparation of the Campus Recreation Center and will establish a services "complex" that will provide improved service to the greater campus through improved operational and management efficiencies available through better overall workflow, the sharing of production and maintenance equipment, and the actual programming of space.

The buildings that currently occupy the site were designed to house functions wholly different from the functions housed there today. Relocating these service functions to modern facilities will allow the space to be programmed to serve specific University needs.

This project need springs from the UI capital plan for development and improvement of both student service needs and stewardship of campus facilities. The location currently occupied by the unit's to be dislocated has been identified as one strategic to the development needs of the campus. The services complex location also fits the UI strategic model for consolidating services functions at the campus edge. This provides for both effective growth of functions core to the University mission and also ensures efficient campus access and growth potential for University services.

Other Alternatives Explored: The site selected for the Campus Recreation Center was determined to be the most advantageous for University objectives after a significant study of many campus locations. The site was selected with knowledge that it would require relocation of many and various services functions.

Facilities Management's success in providing services to the University relies on appropriate proximity and access to the campus. Several alternative site and building acquisitions have been explored but none have been available or available at reasonable cost and within the time period needed to accommodate the Campus Recreation Center project.. Flaws including cost, proximity and timing have hampered any potential purchase options. The unique building types used for maintenance, trades shops and the grounds organization make the functions of these units a difficult fit in most cases. Additionally, the proposed services complex site accomplishes what other studied options have not: a consolidation and modernization of University services on land close to and owned by the University.

Impact on Other Facilities and Square Footage: Construction of the relocated services complex at the south campus boundary will result in the removal of a metal storage building located at 624 S. Madison Street. No other space will be abandoned, transferred or demolished as a result of the construction of the services complex.

Financial Resources for Construction Project: This project will utilize funds from several sources with specific proportions and amounts now being evaluated. The Campus Recreation Center project budget will maintain responsibility for relocation needs associated with the placement of that facility. The amount for which each is responsible is still to be determined. The balance of the funding will be provided by University sources including available Facilities Management earnings established and retained for this purpose.

Financial Resources for Operations and Maintenance: Operating and maintenance resources will be approximately equal to those serving the existing facilities.

External Forces: This is a project that both fits into the planning and timing of the already approved Campus Recreation Center, and also creates the opportunity to provide for a long-term and modernized services core defining the south edge of campus. This project fits well into the long-range planning objectives of the University.