

Contact: Jean Friedrich

UNIVERSITY OF IOWA
EQUIPMENT PURCHASES

Actions Requested:

1. Consider approval of the equipment purchase of a 64 slice CT scanner system at an estimated cost of \$1,097,801.
2. Consider ratification of Executive Director approval of the purchase of IBM hardware equipment for a Hospital Clinical Information System at the University of Iowa Hospitals and Clinics at an estimated cost of \$8,441,330.

Executive Summary: The University of Iowa Hospitals and Clinics (UIHC) requests approval to proceed with the purchase of a 64 slice CT scanner from Siemens Medical Solutions USA, Inc. and requests ratification by the Board of Executive Director approval to proceed with the purchase of IBM hardware equipment.

64 Slice CT Scanner - Purchase

Description of Equipment

The 64 slice CT scanner would replace the existing 4 slice CT scanner installed in 2000. The new scanner would have the ability to perform advanced imaging studies that are needed as part of a state-of-the-art diagnosis and treatment process that are possible with the newer 64 slice scanning technology. The scanner would be located in Diagnostic Radiology on the 3rd floor of John Colloton Pavilion.

Justification of need for Equipment

UIHC has experienced significant volume growth in the CT Division of Radiology. Procedure volumes have almost doubled in the last five years, from 26,000 procedures in FY 2002 to nearly 48,000 procedures projected for FY 2007. This trend is expected to continue, based on national trends for CT utilization. Replacement of the 4 slice CT scanner with a 64 slice scanner will support additional CT volume growth because of faster processing and the ability to perform multiple functions concurrently.

Any Known Alternatives to the Equipment Proposed

The CT scanner would be purchased from Siemens Medical Solutions. The UIHC has a contract with Siemens that was executed after a competitive bidding process involving eight vendors resulted in a five year "Strategic Alliance" for purchase of imaging equipment. This purchasing agreement provides the UIHC with extremely competitive pricing and other benefits.

Estimated Cost and Source of Funding

The estimated cost of the scanner is \$1,097,801, and the source of funding for this purchase will be UIHC funds for capital equipment acquisition during FY 2007.

IBM Hardware Equipment – Ratification of Purchase

The order for hardware equipment needed to be placed with IBM by December 15, 2006, with delivery by December 30, 2006, to preserve the year-end discount. The price would be increased by \$1,168,000 after that date. In September 2006, the Board approved the vendor, Epic Systems Corporation, for the new clinical information software system; however, this approval did not specifically include the purchase of IBM hardware equipment.

Description of Equipment

The computer hardware equipment for the Hospital Clinical Information System includes equipment to update the mainframe system, servers, system storage, memory, training, and maintenance for three years.

Justification of need for Equipment

Historically, UIHC has utilized an internally developed electronic medical record for inpatient and outpatient documentation. In 1996, UIHC installed commercial inpatient pharmacy, laboratory information systems. In 2005, an external review of the internally developed system identified substantial functional deficiencies compared to leading commercial solutions. This review concluded enhancement of the internally developed solution would require a substantial upfront and ongoing investment. In addition, the vendor has announced the end of product support for the pharmacy and laboratory system effective 2010. The UIHC decided to acquire a highly integrated replacement software system that would cover the spectrum of clinical services.

Any Known Alternatives to the Equipment Proposed

The University of Iowa Hospitals and Clinics has standardized on IBM equipment due to the advantages gained in equipment pricing, maintenance and training. The equipment cost is based on state contract pricing with the IBM value-added reseller, Midland Systems Integrators.

Estimated Cost and Source of Funding

The estimated cost of the computer hardware equipment is \$8,441,330. The source of funding is the University Hospitals Clinical Service Funds.

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.