

Contact: Joan Racki

REGISTER OF UNIVERSITY OF IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS

Actions Requested: Consider approval of:

1. The following actions for the **UI Heart and Vascular Center Clinical Service Expansion and Office Consolidation** project:
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria (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 the design professional selection process.
2. The following actions for the **Central Pharmacy Drug Storage, Processing and Dispensing Service Relocation and IV Admixture Facility Expansion** project:
 - a. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria (Attachment B);
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Approve the schematic design and project description and budget (\$2,735,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction.
3. The project description and budget (\$176,981) for the **President's Residence – Replace Deteriorating Porch and Roof Railings** project.

Executive Summary:

The current UI Heart and Vascular Center (UIHVC) clinic and laboratories opened on level 4 of the Roy Carver Pavilion in 1983. There has been significant growth in the Center's clinical services in the last 30 years, with clinic visits increasing by 57% from FY 2002 to FY 2012. As the service has grown, some components have been located in other areas of UIHC. To develop an expanded and consolidated Center, the University requests permission to proceed with project planning, including the design professional selection process, for the **UI Heart and Vascular Center Clinical Service Expansion and Office Consolidation** project which would renovate approximately 32,000 gross square feet of space in the former Clinical Cancer Center Clinic and Infusion Therapy space on level 4 of the John Pappajohn Pavilion to develop an ambulatory care clinic, cardiac rehabilitation service unit, non-invasive diagnostic testing laboratories and associated patient preparation and recovery facilities. The project would also consolidate faculty and staff offices on level 5 of the General Hospital. The estimated

project cost of \$12.5 million, exclusive of furniture and equipment, would be financed with University Hospitals Building Usage Funds. Cost estimates will be refined during the planning process.

The University requests approval of the schematic design and project description and budget (\$2,735,000, exclusive of furniture and equipment) for the **Central Pharmacy Drug Storage, Processing and Dispensing Service Relocation and IV Admixture Facility Expansion** project, which would develop a replacement central drug processing, dispensing and storage facility on the seventh floor of Boyd Tower adjacent to the Department of Pharmaceutical Care's IV Admixture facilities. The project includes the relocation of drug storage, processing and dispensing facilities from the lower level of General Hospital and the expansion of existing drug preparation clean room facilities on the seventh floor. The project would be funded by UIHC Building Usage Funds. The schematic design booklet is included with the Board's agenda materials.

The University requests approval of the project description and budget (\$176,981) for the **President's Residence – Replace Deteriorating Porch and Roof Railings** project, which will address aging and deteriorating wood detailing and rails on the building exterior. The work to be completed will restore the condition of the detailing and maintain the historic nature of the facility. The project would be funded by the Treasurer's Temporary Investment income. Board Policy (9.07G) requires institutions to obtain the Board's approval prior to initiating any renovation, modification, or improvement to the official state-owned residence of an institutional head if the cost is estimated at \$10,000 or more.

Details of the Projects:

UI Heart and Vascular Center Clinical Service Expansion and Office Consolidation

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed with Project Planning		August 2012	Requested

In addition to expanding and consolidating the clinical facilities of the UI Heart and Vascular Center (UIHVC), which are currently located on level 4 and 6 of Roy Carver Pavilion, level 1 John Colloton Pavilion and level 3 of the South Wing, the project would also consolidate UIHVC faculty and staff offices to approximately 12,000 gross square feet of space on level 5 of the General Hospital. These offices are currently located in multiple sites throughout UIHC.

Central Pharmacy Drug Storage, Processing and Dispensing Service Relocation and IV Admixture Facility Expansion

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Aug. 2011	Approved
Initial Review and Consideration of Capital Project Evaluation Criteria		Aug. 2011	Receive Report
Design Professional Selection / Agreement (Shiffler Associates Arch., Des Moines)	\$ 168,100	Dec. 2011	Not Required*
Program Statement		Feb. 2012	Not Required*
Schematic Design		Aug. 2012	Requested
Project Description and Budget	2,735,000	Aug. 2012	Requested
Final Review and Consideration of Capital Project Evaluation Criteria		Aug. 2012	Receive Report

*Approved by Executive Director, consistent with Board policy

The facilities to be renovated will be utilized by the Department of Pharmacy for bulk receiving and storage functions, central pharmacy processing and dispensing services, staff offices and workstations, training room, locker rooms and lounge, and housekeeping and information technology closets.

Development of the replacement facilities will address deficiencies associated with the location and adequacy of space in the Department's current drug storage, processing and dispensing facilities and will permit operational efficiencies, such as reducing drug inventories and transit times and facilitating cross utilization of staff through the consolidation with the IV Admixture service already on the seventh floor of Boyd Tower.

Changes made since approval of the project program include adding approximately 2,000 gross square feet through the reconfiguration of an existing clean storage room to develop a new clean room for installation of two automated, robotic drug processing and dispensing systems to serve the adjoining IV Admixture Facility. This new technology will improve the capacity for preparation of sterile medications, as well as improve efficiencies. It will also be used to prepare anesthesia medications, improve drug labeling compliance and decrease waste. The existing clean storage area will be relocated to a new open storage area on the west side of the IV Admixture facility.

The following summarizes the changes in functional square footage since approval of the program:

<u>Function</u>	Approved Program Net Sq. <u>Feet</u>	Schem. Design Net Sq. <u>Feet</u>	Diff. Net. Sq. <u>Feet</u>
Bulk storage and receiving	550	493	(57)
Central pharmacy processing	2,546	2,574	28
Narcotics vault	188	184	(4)
Controlled drug workstations	184	181	(3)
Refrigerated drug storage	292	306	14
Overwrap	66	66	0
Offices and clerical workstations	291	321	30
Lockers	127	76	(51)
Toilets	92	53	(39)
Break – training room	139	191	52
IT closet	149	138	(11)
Housekeeping closet	116	79	(37)
Expired drug storage		28	28
I.V. Robot Clean Room & Pass-thru		597	597
Workroom		896	896
Hallway		226	226
Secure storage		115	115
Transit room & Pass-thru		120	120
Ante Room 1		59	59
Ante Room 2		76	76
TOTAL – NET	<u>4,740</u>	<u>6,779</u>	<u>2,039</u>
TOTAL - GROSS	5,925	8,474	2,549

Project Budget

Construction	\$2,188,000
Planning and Design	328,200
Project Contingencies	<u>218,800</u>
TOTAL	<u>\$2,735,000</u>

Source of Funds: UIHC Building Usage Funds

Construction is scheduled to commence in the second quarter of FY 2013 and be completed by the fourth quarter of FY 2013.

President’s Residence – Replace Deteriorating Porch and Roof Railings

Project Summary

<u>Project Description and Budget</u>	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
	\$176,981	August 2012	Requested

The University of Iowa’s President’s Residence - 102 Church Street - was constructed in 1908. All University presidents have resided in this facility since that time. In addition to providing a home for the President in the private quarters on the building’s second floor, the building’s first floor functions as public event space hosting more than 200 University events each year.

In 2003, the University completed a much-needed renovation to the house with a majority of the funding supplied by private gifts and the use of Treasurer's Temporary Investment income as a secondary funding source. That project included the addition of a 2-car garage, the rebuilding of deteriorated west and north porches, and the restoration of the building to reflect its heritage and public service functions.

Regular maintenance of this structure, constructed primarily of residential materials, helps to prevent a majority of typical appearance and operational deficiencies. However, buildings like the President’s Residence contain numerous and often intricate details constructed of wood, which are exposed to extreme Midwest weather conditions.

The project work areas have been monitored as part of the ongoing maintenance of the facility, and have now deteriorated to a condition that requires a more permanent remedy. The work proposed in this project will ensure that more invasive and eventually more expensive repair work does not become necessary.

While a majority of the corrective work is associated with exterior wood detailing that is original to the house, investigation has revealed pre-mature deterioration of some of the wood detailing included in the 2003 renovation project. Historic architecture consultants are establishing the core causes for these isolated instances of deterioration. The repairs will include materials and techniques that assure more effective protection from the elements. This same level of effort will be made in repairing/replacing the deteriorated wood elements that are original to the building.

Project Budget

Construction	\$138,152
Design and Supervision	25,049
Contingency	<u>13,780</u>
TOTAL	<u>\$176,981</u>

Source of Funds: Treasurer's Temporary Investment Income

UI Heart and Vascular Center Clinical Service Expansion and Office Consolidation
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 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 accommodate continued growth in outpatient services within the cardiovascular service line. As noted above, the UIHVC has seen significant growth in ambulatory care visits over the past 10 years and that trend is expected to continue. Educational and research missions will also be enhanced through development of the necessary space to effectively teach and train students, residents and fellows in the art and science of providing compassionate patient care and by providing the type of facilities required to conduct innovative research directed toward improved treatments for those suffering from cardiovascular diseases.

The UIHVC is one of the strategic service lines identified by UI Health Care and is an area of focused marketing and growth strategies. This project will help facilitate goals of providing a patient-centered experience through design features required to streamline patient throughput and decrease the time patients and families wait for services. The new facilities will also help minimize costs by caring for patients in a multi-specialty environment that avoids service duplication.

Other Alternatives Explored: There are no alternatives that would address the consolidation, integration and future growth needs of the UIHVC.

Impact on Other Facilities and Square Footage: This project will not result in the abandonment or demolition of existing facilities. The spaces to be vacated on the completion of this project will be reassigned to help meet other institutional space needs.

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 5.2%.

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

External Forces Justifying Approval: The consolidation and expansion of these UIHVC services is an important element in enabling the UIHC to meet all components of its tripartite mission. Patient care will be enhanced through expanded facilities and the design of these facilities will be focused on providing a comfortable and patient-friendly environment. The ability to design more patient-centered service facilities will allow for the UIHVC to remain competitive and to further expand its market share. 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.

Central Pharmacy Drug Storage, Processing and Dispensing Relocation and
IV Admixture Facility 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 contribute to UI Hospitals and Clinics' efforts in meeting all elements of its tripartite mission. It will greatly enhance the UI Hospitals' capabilities for fulfilling its patient care mission by providing necessary facilities to meet the increasing demand for pharmacy technology services. The consolidated facility will increase the ability to flex staff between service areas to meet increased service needs based on varying patient care demands. The quality of service will improve due to greater efficiency in the use of staff and greater capacity for shifting staff to busier areas when the need peaks.

The project is also supportive of five of the six major goals that have been established in UI Health Care's Strategic Plan for FY 2010-2012 by providing the facilities that are required to assist UIHC's efforts to:

- 1) Provide world class healthcare services to optimize health for everyone. *The Department of Pharmaceutical Care's current facilities for automated drug dispensing systems are inadequate to allow full use of the technology. Issues include workflow challenges, limited access to distribution systems (pneumatic tube capacity) and distance from patient care units. In addition there are significant risks due to flooding.*
- 2) Advance world class discovery through excellence and innovation in biomedical and health services research. *Pharmaceutical Care staff has published articles on the application of technology in enhancing the safe use of medications. To help ensure further enhancements in patient safety requires continued investment and use of proven new technology and in facilities that are required to support this technology.*
- 3) Develop world class health professionals and scientists through excellent, innovative and humanistic educational curricula for learners at every stage. *Automation has permitted the shift of pharmacists to greater levels of participation in educating patients in the safe and appropriate use of medication. It has enabled the department to recruit more residency trained pharmacists and to further develop UIHC's educational programs for Doctor of Pharmacy students and pharmacy residents.*
- 4) Foster a culture of excellence that values, engages and enables our workforce. *A culture of excellence in pharmacy is facilitated by automated dispensing systems, pharmacists in patient care roles and facilities that can support these systems. UIHC's existing facilities are in conflict with efforts to further automate or expand the number of pharmacists providing direct patient services.*
- 5) Optimize a performance-driven business model that assures financial success. *The project integrates central pharmacy services into one service location to optimize the use of staff and increase the number of doses dispensed via automated technology.*

Other Alternatives Explored: This relocation and expansion requires approximately 8,500 gross square feet of space with reasonable proximity to patient care areas. The options that were explored but ruled out include:

- 1) Relocation of both the lower level General Hospital central drug processing and storage facility and the level seven Boyd Tower IV Admixture facilities to available space on the mezzanine level of Hospital Parking Ramp 4. This option was not pursued due to the high cost associated with relocating the IV Admixture clean rooms.
- 2) Relocation of solely the lower level General Hospital central drug processing and storage facility to the mezzanine level of Hospital Parking Ramp 4. This option was ruled out due to the significant distance between the Ramp 4 location and the IV Admixture facility which would increase staffing requirements and create difficulties and greater costs to transport medications to the patient care units.

Impact on Other Facilities and Square Footage: No space will be abandoned or demolished. The maintenance and support facilities of the Department of Radiology's Division of Radiology Engineering have been relocated from the 7 BT project area to renovated space beneath Hospital Parking Ramp 4 to provide the required space to undertake this project. This relocation project was funded separately.

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.

Financial Resources for Operations and Maintenance: No significant change in operating expenses is expected. 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 Justifying Approval: The current location of the medication processing and dispensing equipment and drug inventory is in the lower level of General Hospital. As previously noted, this area has experienced several minor floods. A significant flood would result in the loss of potentially \$3.1 million of inventory and \$2 million of automated drug processing and dispensing equipment, as well as the loss of pharmacy services. In addition, the Board of Pharmacy has established requirements for the use of clean rooms for preparing sterile products. This project increases clean room capacity and integrates the clean room facility with the Central Pharmacy facility creating greater efficiency for operating the clean rooms 24 hours per day. Based on the increased emphasis on medication safety the department is increasing the number of medications dispensed via the automated dispensing systems to be located in this facility. The facility will support better access to patient care units via expanded tube stations and the automated dispensing systems will operate 24 hours per day. The consolidation of functions will increase efficiency and allow greater capacity to shift staff from one function to another to meet increased workloads.