

Contact: Sheila Doyle

**REGISTER OF UNIVERSITY OF IOWA CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS**

**Actions Requested:** Consider recommending to the Board:

1. Approval of the following actions for the **University Hospitals and Clinics – Neurosurgery Clinic Expansion and Renovation** project, a major capital project 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);
  - 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, waiving of the architectural selection process (Policy Manual §9.10. 2.a.), and approval of the selection of OPN Architects, Cedar Rapids, Iowa, to provide full design services for the project.
2. Authorization of permission to proceed with project planning, including the consultant selection process, for the **Power Plant – Boilers No. 5 and No. 6 Demolition** and the **Melrose Avenue Chilled Water Extension** projects.

**Executive Summary:** The **University Hospitals and Clinics – Neurosurgery Clinic Expansion and Renovation** project would expand and renovate the Department of Neurosurgery ambulatory care clinic, and faculty office and conference facilities which are currently located in approximately 9,300 gross square feet of space on the first floor of the Pappajohn Pavilion. The project is needed to accommodate the Department's current and projected patient growth and to provide efficiencies in design and space usage.

Since 1992, the Clinic's patient visits have increased by approximately 3 percent per year (a total increase of 38 percent to date); this trend is projected to continue at an annual rate of up to 5 percent per year for the foreseeable future. To accommodate its current and projected patient growth, 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 proposed project would renovate a total of 14,000 gross square feet of space, which includes the Department's existing 9,300 gross square feet of space and an additional 4,700 gross square feet of adjacent space which currently houses offices of the Department of Cardiothoracic Surgery, which UIHC plans to relocate in the near future to the General Hospital. The estimated project cost is \$3.4 million, to be funded by University Hospitals Building Usage Funds.

The University retained the firm of OPN Architects, Cedar Rapids, Iowa, to prepare a feasibility study for the project which consisted of programming and pre-design services. Since the project design would be based on the program prepared by OPN, and given the firm's in-depth knowledge and understanding of the project, the University wishes to waive Policy Manual §9.10. 2.a. which requires architectural selection for projects expected to cost \$1 million or more by an institutional Architectural Selection Committee. The University requests approval of the selection of OPN Architects to provide design services for the project.

The **Power Plant – Boilers No. 5 and No. 6 Demolition** project would remove the two boilers (installed in 1951 and 1954) which were decommissioned by the University in 1998 as they had exceeded their useful lives. Removal of the boilers would provide space that would be used for other power plant operations. The estimated project cost is \$3 million, to be funded by Utility Enterprise Improvement/ Replacement Funds and/or Utilities Enterprise Revenue Bonds.

The **Melrose Avenue Chilled Water Extension** project would extend chilled water lines along Melrose Avenue from Hawkins Drive east to South Grand Avenue, and north to the UIHC Pomerantz Family Pavilion. A map indicating the location of the water line installation is included as Attachment B. The project is a continuation of the University’s efforts to increase chilled water service for the west campus facilities in response to projected future demand. The new chilled water lines would connect with others recently installed to expand the distribution line capacity for the west campus. At this time, construction is anticipated to commence in mid-May 2006 (following graduation) for completion in August or September of 2006 (prior to the football season). The estimated project cost is \$1.9 million, to be funded by Utility Enterprise Improvement/Replacement Funds and/or Utilities Enterprise Revenue Bonds.

**Details of Projects:**

**University Hospitals and Clinics – Neurosurgery Clinic Expansion and Renovation**

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Initial Review and Consideration of Capital Capital Project Evaluation Criteria		Sept. 2005	Receive Report
Permission to Proceed		Sept. 2005	Requested
Permission to Waive Architectural Selection Process		Sept. 2005	Requested
Architectural Selection (OPN Architects, Cedar Rapids, IA)		Sept. 2005	Requested

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

**Power Plant – Boilers No. 5 and No. 6 Demolition and Melrose Avenue Chilled Water Extension**

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Permission to Proceed		Sept. 2005	Requested

Neurosurgery 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: There has been a 38% increase in outpatient visits since the Neurosurgery Clinic became operational on the first level of the Pappajohn Pavilion in 1992. This level of growth is now resulting in difficulties in scheduling timely patient visits for non-emergent care and in comfortably accommodating patients and their families in the clinic's waiting room. It is anticipated that the number of patients seeking diagnostic and therapeutic services provided by physicians within the Department of Neurosurgery will continue to grow, thereby further exacerbating the existing inadequacy in patient examination and support space. This project is an essential element in enabling the UIHC to meet all components of its tri-partite mission by providing the necessary space for the Neurosurgery Clinic to meet the continued growth in patient service volume, to permit the offering of a more comprehensive array of clinical services and programs, and to enhance the facilities required to teach and train medical students, residents, and other health profession trainees, and to conduct clinical research. By providing the Neurosurgery Clinic with the necessary expansion space the project also supports several of the UIHC's Strategic Plan goals, most notably identification of Neurosurgery as one of UIHC's clinical services that will be a leader in the state and national market by offering cutting edge clinical services, robust clinical research and strong training opportunities; by providing facilities that enhance a patient-centered experience, by providing design features required to streamline patient throughput and to improve the patient's healthcare experience, and by providing a continuously improving, safe environment for all patients and staff at all times.

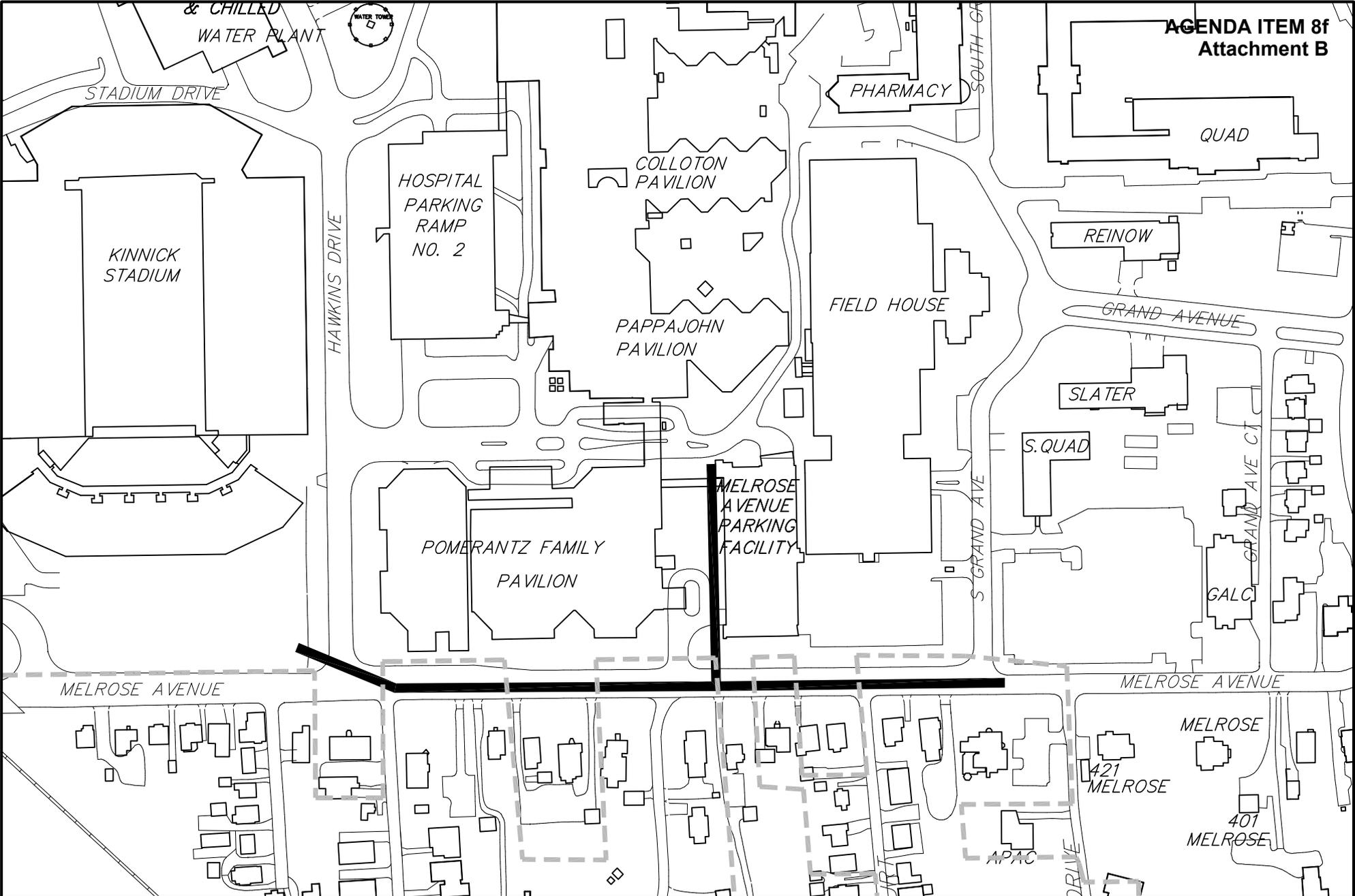
Other Alternatives Explored: In 2003, the UIHC engaged a national space planning and management consulting firm, Meaghan Jared Partners, Inc., to assist in determining the optimal plan for meeting the UIHC's needs for additional ambulatory care clinic and procedure unit space. After evaluating a number of possible methods to meet these needs, while taking into consideration the existence of shell space in the Pomerantz Family Pavilion and the development of additional shell space now being constructed as the West Addition to the Pomerantz Family Pavilion, it was ultimately determined that for patient convenience and operational reasons the Neurosurgery Clinic should remain in its present location on the first level of Pappajohn Pavilion and that its expansion would be accomplished through use of adjacent space now used to provide offices for the Department of Cardiothoracic Surgery. This division will be provided new offices in General Hospital. There are no other viable alternatives available that will as optimally meet the multiple objectives realized by undertaking this project.

Impact on Other Facilities and Square Footage: The faculty and staff offices of the Department of Cardiothoracic Surgery will be relocated to space in General Hospital to provide the expansion space required to accommodate the Department of Neurosurgery. Clinical and hospital support functions now located in this General Hospital space will be relocated to other areas of the UIHC and health sciences campus.

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 ten-year return on investment associated with expanding and renovating the Neurosurgery Clinic and related clinical components of the project is 29.3%.

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: This project is an essential element in enabling the UIHC to meet all components of its tri-partite mission. As previously noted, the UIHC continues to experience a significant growth in outpatient visits that have resulted in a number of clinical services now experiencing difficulties in providing timely patient services due to the lack of examination and treatment space. This project will provide the Neurosurgery Clinic with the necessary space for it to meet the continued growth in patient service volume and to permit the offering of a more comprehensive array of clinical services and programs.



THE UNIVERSITY OF IOWA

Project # 05-801091  
 cwr-melroseAve.dwg  
 Plotted: July 25, 2005

Legend

-  University Boundary
-  New Chilled Water



Scale:  
 1" = 220'

Location Map:  
**Melrose Aveune**  
**Chilled Water Extension**