

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority

Pursuant to the Standing Orders of the Board of Regents, Delegation of Authority, and to the delegation of authority from the President of the University to the Executive Vice President in Executive Order No. 1, to take action for projects or contracts that exceed \$1,000,000 in value or cost but are less than \$5,000,000, the Administration may approve and execute all instruments.

**More Hall Fire Sprinkler and Alarm Upgrade, Project #200608  
Action Reported: Architect Appointment/Establish Project Budget**

On January 18, 2006 an agreement for architectural services was awarded to CDI Engineers for the More Hall Fire Sprinkler and Alarm Upgrade project in the amount of \$57,860. The design budget value is \$75,197. The balance of the design budget is intended for hazardous material design, existing conditions survey, construction testing and other miscellaneous design services.

More Hall, constructed in 1946, consists of approximately 83,000 square feet and is occupied as a classroom and science research facility for the Department of Civil and Environmental Engineering. The scope of this project is to retrofit fire sprinklers and replace the fire alarm panel and field devices as necessary to offer complete coverage to all floors in all areas. The schedule for this project shows design being completed in November, 2006, followed by a nine month construction schedule.

CDI Engineers is a Lynnwood-based engineering firm that has been working on projects on the UW campus since 1998. CDI is currently working as a sub-consultant on the Architecture Hall Renovation project. They are also serving as the prime consultant on the Aerospace and Engineering Building Sprinkler Upgrade.

The project budget is \$1,895,000. Funding for the design is available from the Safety Budget. Funding for construction is expected to come from the 2005-2007 Safety Budget.

<b>Budget Summary:</b>	<b>Current Apprv'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Svcs	\$154,358	\$154,358
Total Construction Cost*	\$1,574,565	\$1,574,565
Other Costs	\$26,001	\$26,001
Project Administration	\$140,076	\$140,076
<b>Total Project Budget</b>	<b>\$1,895,000</b>	<b>\$1,895,000</b>

\* Includes construction contract amount, contingencies and state sales tax.

**Project Name: Drumheller Fountain Infrastructure Upgrades, Project #10564**

**Action Reported: Contract Award**

On February 27, 2006 a construction contract was awarded to Epic Construction, in the amount of \$279,900 including alternates, for the Drumheller Fountain Infrastructure Upgrades project. The budget for this work was \$321,029. Five bids were received for the project ranging from the low bid of \$279,900 to the high bid of \$503,940.

The scope of this construction contract is to place approximately 2,400 cubic yards of controlled density fill (CDF) in the moat surrounding the fountain basin, and construct a structural vault around existing mechanical equipment in the moat. Epic commenced work on March 21, 2006 and was scheduled to be completed on May 1, 2006.

The overall project scope includes lining the fountain basin and replacing and reconfiguring the fountain piping. The construction budget listed below also included the purchase and installation of the basin lining. That work was budgeted at \$280,020. The balance of the construction budget was for construction contingencies, Washington State sales tax and miscellaneous electrical and structural work by UW forces.

This is the first project that Epic Construction has performed for the University of Washington. They have completed work for the Cities of Everett, Bremerton and Vancouver, WA, and WSDOT. The work was completed on schedule.

The budget for the project is \$1,143,180. The project was funded from 03-05 and 05-07 Building Renewal funds.

<b>Budget Summary:</b>	<b>Current Approved Budget</b>	<b>Forecast/Actual</b>
Total Consultant Svcs	\$174,522	\$174,522
Total Construction Cost	\$833,267	\$833,267
Other Costs	\$40,586	\$40,586
Project Administration	\$94,805	\$94,805
<b>Total Project Budget</b>	<b>\$1,143,180</b>	<b>\$1,143,180</b>

**Gowen Hall Elevators #3 and #4 Upgrade, Project # 200311**

**Action Reported: Contract Award**

On March 28, 2006 a construction contract was awarded to Apus Construction for the Gowen Hall Elevators #3 and #4 Upgrade in the amount of \$505,000. Six bids were received and the low bid was \$505,000 and the high bid was \$578,000. The budgeted value is \$675,725 for this work.

The project consists of a complete modernization of Elevators # 3 and #4 in Gowen Hall. Elevator #3 and Elevator #4 have been in service for 25 and 20 years, respectively. The interior of the cabs will be replaced and new elevator equipment will be installed. Additionally, some mechanical and electrical upgrades will be made to the building in direct support of the elevator upgrade. The upgrade meets all current codes.

Apus Construction has completed a number of public works contracts throughout the Seattle area. They have recently completed Cable and Technology Infrastructure Improvements for Hazelwood Elementary School and prior to that, the Tiger Mountain Community High School Science Lab Remodel. They have references from the Edmonds School District, Issaquah School District, and the Cities of Burien, Shoreline and Renton.

The project budget is \$1,100,000. Funding is available from the Building Renewal budget.

<b>Budget Summary:</b>	<b>Current Apprv'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Svcs	\$160,589	\$150,854
Total Construction Cost*	\$829,304	\$659,330
Other Costs	\$28,652	\$35,996
Project Administration	\$81,455	\$81,455
<b>Total Project Budget</b>	<b>\$1,100,000</b>	<b>\$927,635</b>

\* Includes construction contract amount, contingencies and state sales tax.

**Research & Technology Building COE Tenant Improvements  
Environmental Microbiology Stahl Lab, Project # 200830  
Action Reported: Establish Project Budget/Contract Award for Design  
Build Services**

A Design Build Operate Maintain (DBOM) contract was awarded to M. A. Mortenson on June 22, 2004 to provide design and construction of the core and shell of the Research & Technology (R&T) Building. It was intended that future tenant improvement work would be accomplished under this DBOM agreement. The second such tenant has been identified: environmental microbiology laboratories for Dr. David Stahl and his team in the College of Engineering (COE), occupying approximately 4,400 square feet on the fourth floor.

On April 18, 2006 a change order for design-build services was awarded to M.A. Mortenson for the R&T COE tenant improvements, establishing a project budget of \$1,462,000. The agreement amount for design and construction is \$1,254,045. Work will be performed by the same design build team (M.A. Mortenson, Collins Woerman, McKinstry, and Sasco) as the R&T Core & Shell building project just completing construction. M. A. Mortenson has a long history with UW projects including the recently-completed Paul G. Allen Center for Computer Sciences & Engineering and is also the general contractor / construction manager for the Architecture Hall renovation project.

Construction for the new microbiology lab space is scheduled to start in June 2006 and will be completed in November 2006.

The project budget of \$1,462,000 is funded from Tenant Improvement bond proceeds. No sales tax is included in the budget as this research tenant qualifies for tax deferral status.

<b>Budget Summary:</b>	<b>Current Apprv'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Svcs*	5,000	5,000
Total Design – Build Construction Cost**	1,254,045	1,254,045
Other Costs	133,125	133,125
Project Administration	92,830	92,830
<b>Total Project Budget</b>	<b>1,462,000</b>	<b>1,462,000</b>

\* refers to fees to consultants retained by University to prepare Furniture, Fixtures & Equipment specifications.

\*\* Includes design fees, construction contract amount, contingencies and no state sales tax.

**UWMC Surgery Pavilion 1102 Vascular/ISIS Suite, Project # 200906**  
**Action Reported: Establish Budget /Appoint Architect**

The Vascular/ISIS Project will be a tenant improvement of an unoccupied space (approximately 7000 SF) in the Surgery Pavilion to meet the needs of the two departments: a new combined vascular research and diagnostic service clinic and the new Institute for Surgical and Interventional Simulation (ISIS).

The Vascular Clinic represents a partnership between UWMC and the Department of Surgery and will create an internationally recognized center for non-invasive vascular imaging. This clinic will enable the development of new, revenue-producing programs and will create flexibility that will allow for better coverage and service for UWMC's patient population. ISIS also represents a partnership between UWMC and several of the clinical departments in the School of Medicine. This new institute will create a venue for surgical planning and the training of surgeons and residents, using simulation equipment.

On February 19, 2004, the Board of Regents appointed NBBJ for the UWMC Comprehensive Planning Study (Internal Master Plan) and design services for projects that resulted from the Master Planning effort. On April 4, 2006, an architectural agreement was awarded to NBBJ for the Vascular/ISIS Suite, the first project resulting from this appointment. The contract amount is \$56,922 for schematic design. The design budget is \$208,237. The balance of the design budget is intended for hazardous material design, construction testing, commissioning and other miscellaneous design services.

The project is anticipated to go to bid in April 2006 and is expected to be completed in December 2006.

The project budget is established at \$2,730,840. Funding is available from the University of Washington Medical Center patient revenues.

<b>Budget Summary:</b>	<b>Current Apprv'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Svcs	\$354,556	\$354,556
Total Construction Cost	\$2,149,004	\$2,149,004
Other Costs	\$22,735	\$22,735
Project Administration	\$204,545	\$204,545
<b>Total Project Budget</b>	<b>\$2,730,840</b>	<b>\$2,730,840</b>

**Project Name: Haggett Elevator and Tenant Improvements, Project # 201175**  
**Action Reported: Contract Award**

On April 5, 2006 a construction contract was awarded to Cope Construction Company in the amount of \$1,585,630 for the Haggett Elevator and Tenant Improvement Project. On February 28, 2006, four bids were received the low bid with alternates was \$1,585,630, approximately \$100,000 below the budgeted value of \$1,685,000 and the high bid was \$1,716,000.

The project will replace the cab and equipment for the remaining Elevators #95, #97 and #98 in Haggett Hall, provide elevator shaft pressurization, and card key access to all four building elevators. Elevator #96 was previously replaced under an emergency contract when the equipment failed last year. The project will also include replacement of the fixtures, flooring, lighting, and painting in the south tower toilet rooms and new linoleum flooring in corridors as well

The project is scheduled to have the tenant improvements and improvements to Elevators #96 and #97 completed by the start of fall quarter 2006, and Elevators #95 and #98 to be completed by the start of winter quarter 2007.

Cope Construction has successfully completed projects for the University of Washington including the UWMC Cyclotron Installation, Dentistry Remodel, UWMC Critical Care, and UWMC Linear Upgrade, and remodels in More and Gowen Halls.

The project budget is \$2,600,000. Funding is available from Housing and Food Services.

<b>Budget Summary:</b>	<b>Current Approved Budget</b>	<b>Forecast Cost at Completion</b>
Total Consultant Services	\$ 290,897	\$ 237,041
Total Construction Cost	\$2,072,966	\$2,001,192
Equipment / Furniture	\$ 33,745	\$ 27,912
Other Costs	\$ 32,900	\$ 30,776
Project Administration	\$ 169,492	\$ 168,879
<b>Total Project Budget</b>	<b>\$2,600,000</b>	<b>\$2,465,799</b>

**UW HMC MRI Installation, Project # 201420**

**Action Reported: Architect Appointment/Establish Project Budget**

In April, 2006 an agreement for architectural services was awarded to ARC Architects, for Harborview's MRI Installation project. The budget was established at \$1,500,000.

The HMC MRI Installation project will add one 3T MRI to their existing 1.5T MRI in the radiology department. The location of this new magnet will be adjacent to the existing MRI just to the South. The work includes demolition, new finishes, new casework, new magnetic and RF shielding, additional work in adjacent spaces, HVAC upgrades and electrical upgrades. The MRI unit and associated equipment will be procured by the hospital under a separate contract.

ARC Architects is a firm with experience working with the UW since 1999. In addition to the many projects they have worked on at Harborview, they have also worked on projects at Sand Point as well as the Seattle campus. Their design fee is \$120,000. The design budget is \$270,520. The balance of the work is for hazardous material design, testing and commissioning, and miscellaneous design services.

The current Management Agreement between UW, HMC and King County limits UW to managing projects up to \$1M. This project's total budget (design and construction) is expected to exceed \$1M. The design budget of \$270,520 has been approved by HMC's Board of Trustees. The current Management Agreement is being reviewed by all parties. Among the issues for review is raising the individual project limits to \$5M, to be consistent with current practice for small projects at the UW Medical Center. It is anticipated that the project limit will be raised prior to this project completing design. Should this not occur, Harborview intends to seek specific permission to allow CPO to manage the construction of this project. Funding for this project will come from Harborview revenues.

Budget Summary	Current Budget 4/19/06
Total Consultant Services	\$270,520
Total Construction Cost	\$1,102,086
Other Costs	\$11,465
Total Project Administration	\$115,929
Total Project Budget	\$1,500,000

### **Purchase – Immunoassay Reagents**

The Department of Laboratory Medicine at Harborview Medical Center and University of Washington Medical Center (the Medical Centers) uses automated immunochemistry analyzers to perform endocrinology, cardiac markers and other chemistry testing on patient specimens. In planning for replacement of existing analyzers, the Medical Centers requested information from seven manufacturers of such equipment and associated reagents. Six responses were received, and two were selected for further evaluation. Based on the Medical Centers' evaluation, the analyzers and reagents provided by Beckman Coulter Inc. provide unique capabilities including greater capacity and faster throughput, improved calibration and reduced maintenance. Although not a competitive solicitation, the pricing from Beckman Coulter is ten percent less than the other finalist, and seven percent lower than prior costs.

Two purchase orders were issued to Beckman Coulter, for placement of two analyzers each at Harborview Medical Center and at University of Washington Medical Center. The Beckman Coulter contract is a five year commitment to acquire the immunoassay reagents at a minimum of \$515,183 per year. The four analyzers are provided at no cost other than reimbursement of personal property taxes, and the Medical Centers combined volume of reagent use will meet or exceed the annual minimum. The five year total commitment is \$2,575,916 plus sales tax. Funding is available from patient revenue.

### **Purchase – Computer Hardware and Software for Electronic Medical Record System**

UW Medicine is implementing an electronic medical record system to unify patient data that currently resides in various paper and electronic sources, and to provide tools for documenting care, viewing results of diagnostic tests, monitoring patient status, and ordering supplies and services. An updated project budget was authorized by the Board of Regents in November 2005. The updated budget included costs for additional computer hardware and software.

A purchase order was issued to the International Business Machines Corporation for server and storage hardware, software, installation and implementation at a cost not to exceed \$1,500,000 plus sales tax. Pricing is based on a State of Washington Department of Information Services competitive contract. Funding is available from the capital budget for the electronic medical record system project.



**Contract Amendment – Electronic Medical Record Implementation Services**

The consulting firm of Cagemini, U.S. LLC was selected in 2004 on the basis of competitive proposals, to provide implementation management services for the electronic medical record project. The contract was for a not to exceed total of \$860,000 for approximately twelve months of work. After eight months of working on the project, Cagemini sold its healthcare solutions business unit to Accenture LLP, including transfer of the assigned staff, and Accenture assumed responsibility for performance of the University's project agreement.

Prior to the end of the initial term, UW Medicine determined that additional work needed to be performed. The contract with Accenture was extended five months, and an additional amount not to exceed \$330,000. Since the cumulative total with both companies exceeds the delegated authority of one million dollars, it is being reported under actions taken. Funding for these services is available from medical centers revenues.

**Purchase – Patient Treatment System**

The University of Washington Medical Center (UWMC) participates in the Seattle Cancer Care Alliance (SCCA), in order to provide enhanced and coordinated care for cancer patients. UWMC has operated a patient treatment system for many years that has become outdated as new treatment systems have been installed. In 2005, SCCA conducted a review of patient treatment systems, and UWMC participated in that process. Three vendors were invited to demonstrate their systems, and were evaluated for factors such as speed, ease of use, clinical criteria and flexibility. Based on these evaluations, SCCA selected the patient treatment system from Philips Medical Systems N.A. In order to be compatible with the treatment system at SCCA, UWMC also selected the Philips system. The Phillips treatment system is a computerized dosing system for radiation oncology. It determines the angle and the dose of the radiation in the treatment, i.e. given the location of the tumor, how to direct the treatment calculating angle and density of tissue.

A purchase order was issued to Philips not to exceed \$915,000 plus sales tax. One year after clinical acceptance of the system, the order includes a four-year service plan at \$16,125 per quarter, for a combined total cost to UWMC not to exceed \$1,173,200 plus sales tax. Funding is available from the UWMC equipment reserve.

### **Magnetic Resonance Imaging System Lease Extension**

A lease for a magnetic resonance imaging (MRI) system from Philips Medical Systems was reported to the Board of Regents in November 2005. The lease was based on a competitive request for proposals, to provide an imaging system on a temporary basis while the University of Washington Medical Center develops a facility plan and renovation project for the Radiology Department. In order to accommodate changes in the planning schedule, an amendment was issued to extend the MRI lease through April 2006, for a cumulative total cost not to exceed \$1,350,000 plus sales tax. Funding is available from patient revenues.

### **Purchase Amendment – Magnetic Resonance Imaging System**

The purchase of a magnetic resonance imaging system (MRI) for the University of Washington Medical Center (UWMC) from Philips Medical Systems in an amount not to exceed \$2,200,000 plus sales tax was reported to the Board of Regents in July 2004. The Philips MRI was selected on the basis of competitive proposals. After satisfactory installation and acceptance of the MRI, UWMC decided to add other clinical applications and to acquire a subsequent software upgrade. An amendment was issued for the additional items in an amount not to exceed \$240,000 plus sales tax; pricing for the new items was consistent with Philips discounted prices on the original competitive purchase. Funding for the amended total is available from the UWMC equipment reserve.

### **Financing - UW Medical Center Equipment Capital Lease**

On March 16, 2006, UWMC entered into a capital lease with Bank of America to finance \$4 million in hospital equipment. This transaction was completed under general delegated authority. The term of this lease is 5 years and the tax-exempt interest rate was 3.572%.