

FCR 6

Office of the President
September 11, 2015

Members, Board of Trustees:

RENOVATE/UPGRADE UK HEALTHCARE FACILITIES (PHASE I-F/I-G) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve a \$37,000,000 increase in scope of the Renovate/Upgrade UK HealthCare Facilities (Phase I-F/I-G) Capital Project. The increased scope is necessary to fully fund: the Kentucky Children's Hospital (KCH) component of the project; additional project components of the Albert B. Chandler Hospital Facilities Development Plan (Development Plan); and to fund planning activities for future project phases of the Development Plan.

Background: The Development Plan provides for the systematic replacement and renovation of patient care facilities. In June 2014 and March 2015, the Board approved the initiation of the Renovate/Upgrade HealthCare Facilities Capital Project, designated as Phases I-F/I-G of the Development Plan which includes the continued fit-up of space within Pavilion A and the development of KCH facilities in Pavilion H and HA.

The requested \$37,000,000 scope increase will fund three activities: the KCH component; adding project components of the Development Plan to Phases I-F/I-G; and planning activities for future project phases of the Development Plan. The KCH component of the capital project comprises \$23,000,000 of the total requested scope increase. This component will redevelop existing facilities in Pavilion H and HA to establish a modern, state-of-the-art facility necessary to meet Kentucky's pediatric health care needs. This space will allow for development of pediatric outpatient and family support services and will replace the outdated and undersized Neonatal Intensive Care Unit (NICU) currently housed in two locations with space consistent with today's standard of care for delivery of pediatric health care.

The final plan for the KCH space will increase the square footage from a master planning estimate of 53,000 square feet to 86,000 square feet. The square footage and cost increase is driven primarily by:

- Increased mechanical and electrical space;
- Efficient design of the space in the existing structures;
- Relocation of outpatient treatment and pediatric sedation services adjacent to one another to maximize the efficient utilization of space;
- A dedicated entrance for obstetric patients to provide a more direct and dedicated route to obstetric triage;

- Central lobbies for KCH on the ground and first floors; and
- Relocation of the Capacity Command Center which manages the flow of patients into and through the hospital and the placement of patients into the appropriate bed types and locations.

The second activity funded by the requested scope increase is the acceleration of several of the planned future project components of the Development Plan into Phases I-F/I-G. These components, comprising \$12,000,000 of the total requested scope increase, are necessary to provide for increased operational efficiencies and include:

- Relocation of Physical, Occupational and Respiratory Services to Pavilion A;
- Additional facilities infrastructure;
- Relocation of the trash dock; and
- Relocation of the morgue facilities.

Finally, UK HealthCare has reached a stage where it is necessary to commence facilities planning activities for future project phases of the Development Plan. Funding for the facilities planning activities comprises \$2,000,000 of the total requested scope.

Pursuant to Administrative Regulation 8:2, any capital project with an estimated cost of \$600,000 or more and scope increases greater than 15 percent must be approved by the Board prior to initiation. This project has been authorized by the 2014 Session of the Kentucky General Assembly. The \$37,000,000 scope increase will be financed with agency funds and will bring the total Board approved investment in the Albert B. Chandler Hospital Facilities Development Plan, including the new Patient Care Facility, to \$875,100,000 (within the legislatively approved scope of \$1,030,000,000.) A summary of the approved UK HealthCare patient care facilities projects, listed by legislative authorization, and a map displaying the location of Pavilion A, H and HA are attached.

Action taken: Approved Disapproved Other _____

**Approved UK HealthCare Patient Care Facilities Projects
By Legislative Authorization
As of September 2015**

Patient Care Facility (PCF)

Legislatively Authorized Scope: Up to \$750,000,000

Board of Trustees Meeting	Description
December 2004	Approved initiation of Patient Care Facility (PCF) Capital Project (Phase I-A).
October 2005	Consolidated PCF Capital Project (Phase I-A) with several infrastructure projects. Approved project scope \$450,000,000.
September 2007	Approved adding two shelled bed floors to PCF.
September 2008	Approved consolidation of existing authorizations and increased approved scope to \$532,300,000.
June 2010	Approved initiation of Operating Room Suite and Related Support Space Capital Project (Phase I-B). Increased approved project scope to \$570,000,000.
February 2011	Approved initiation of Data Center and Related Support Space Capital Project (Phase I-C). Increased approved project scope to \$575,600,000.
June 2013	Approved initiation of Fit-up of Eight Floor and Pharmacy Capital Project (Phase I-D). Increased approved project scope to \$607,100,000.
September 2013	Approved planning and design of the Fit-up of the Clinical Decision Unit Capital Project. Increased approved project scope to \$607,600,000.
January 2014	Approved initiation of the Fit-up of the Clinical Decision Unit Capital Project (Phase I-E). Increased approved project scope to \$613,100,000.

Renovate/Upgrade HealthCare Facilities

Legislatively Authorized Scope: Up to \$280,000,000

Board of Trustees Meeting	Description
June 2014	Approved initiation of the Renovate/Upgrade HealthCare Facilities Capital Project (Phase I-F). Includes fit-up of additional floors in the PCF, replace the kitchen and cafeteria, relocate the MRI to Pavilion A, add a central chiller plant, and relocate NICU from Pavilion H to Pavilion HA. Approved project scope \$150,000,000.
March 2015	Approved initiation of the Renovate/Upgrade HealthCare Facilities 2 Capital Project (Phase I-G), and consolidated project with Renovate/Upgrade HealthCare Facilities Capital Project. Includes fit-up of an additional floor in the PCF, relocation and expansion of radiology to Pavilion A, relocation of the Blood Bank to Pavilion A and continued fit-out of new operating rooms. Approved project scope \$75,000,000; cumulative project scope \$225,000,000.
September 2015	Recommended approval of \$37,000,000 scope increase to fully fund the Kentucky Children's Hospital (KCH) component of the project including the NICU (\$23,000,000); to fund additional project components of the Chandler Hospital Facilities Development Plan to Phases I-F/I-G (\$12,000,000); and to fund planning activities for future project phases of the Development Plan (\$2,000,000). Recommended scope increase \$37,000,000; cumulative project scope \$262,000,000.

