

Project Approval
MU Health Care – Children’s Hospital Facility
MU

The University of Missouri – Columbia requests Project Approval for the MU Health Care Children’s Hospital facility project, with a total project budget of \$232,000,000.

University Hospital (UH) is the flagship hospital for MU Health Care (MUHC) and provides the highest-level services and training for Trauma, Heart Attack, Stroke, and many other high complexity medical services. Women’s & Children’s Hospital (WCH) is the premiere local hospital serving women and children in the mid-Missouri area. Both hospitals are at full capacity with limited expansion abilities as currently configured. Additionally, there are increased costs as a result of operating inpatient services at two locations. Expanding UH and WCH inpatient services while reducing operational inefficiencies has been identified as a strategic priority as a continued mechanism for growth of MUHC. Both hospitals currently operate at greater than 85% occupancy (closer to 95% during the winter months) when optimal efficiency is 70% occupancy to allow the free flow of patients through the system. Operating at such a high occupancy has hindered the ability to grow additional sub-specialty services, impacted referral relationships, patient transfers, and decreased staff and physician satisfaction.

The Children’s Hospital facility project is the largest component to successfully achieve the vision for the WCH consolidation with the UH campus. The Children’s Hospital facility will support the MUHC mission by integrating inpatient and high-acuity operations into a single campus; enhancing the patient/faculty/staff experience; promoting growth and improved operational efficiencies; enhancing clinical care across several specialties through co-location of services; facilitating collaboration between clinicians, researchers and educators that has been difficult with two separate inpatient campuses; reducing duplication of services; and bringing specialized services under one roof achieves advantages of scale that enhance the care delivered and results in more affordable and efficient care.

The Children’s Hospital facility will consist of a seven-story, plus basement and mechanical penthouse, 323,400 gross square foot (GSF) facility constructed on the east side of the Patient Care Tower and extending to Hitt Street on the east and the existing Patient & Visitor Parking Structure on the south. The building will have contiguous floors to the Patient Care Tower which will include separate program elements for supporting Women’s and Children’s Hospital consolidation. The project will include an elevated skybridge connection, as a bid alternate, across Hitt Street to the University Physician’s Medical Building, visually and functionally linking it to the NextGen Precision Health campus area. This location is an important nexus for interdisciplinary activities involving the MU Health Sciences and campus research core facilities. A key principle in the initial conceptual design has focused on a bed pavilion that delivers high efficiency/high quality health care, that will have adequate shelled space to provide the ability and flexibility to meet future health care needs of the community.

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Preliminary program concepts include a lower level dock to access back-of-house materials management and support spaces; a 1st floor with a lobby, registration, a grab-n-go food area, a conference center and shelled space; a 2nd floor with a Pediatric Minor Procedure Suite, the Children's Cancer and Blood Disorder Unit, and shelled space; a 3rd floor shelled for future Surgery growth; a 4th floor with a 60-bed Neonatal Intensive Care Unit; a 5th floor for Women's services including Obstetrics Triage, Antepartum, Labor Delivery Rooms, and Cesarean Section Operating Rooms; a 6th floor for Pediatric Intensive Care Unit and General Pediatrics rooms; a 7th Floor for Neurosciences Intensive Care Unit; and a mechanical penthouse. The facility will initially provide 142 patient beds along with shelled space for future fit-out.

The exterior aesthetic is envisioned to embrace and compliment the NextGen Precision Health facility architecture while also integrating the character of the Patient Care Tower and identity as a destination Women's and Children's Hospital.

Planning for future use of the existing WCH structure is underway. Options being explored include temporary/permanent repurposing of the building and repurposing the property. Target date for a recommendation is spring 2021.

Burns and McDonnell Engineering Company, Inc., Kansas City, Missouri, is the recommended architect for this project. Burns and McDonnell associated with HKS, Inc., a national healthcare design firm, and presented a well-balanced team of experts with in-depth knowledge of complex teaching hospital environments, and demonstrated clinical integration strategy successes. The design team includes HKS, Inc., Dallas, Texas, as associated architect; Burns and McDonnell Engineering Company, Inc., Kansas City, Missouri, for structural, mechanical, plumbing, electrical and fire protection engineering and cost estimating; SK Design Group, Inc., Kansas City, Missouri (MBE) for civil engineering; Odimo, LLC, Kansas City, Missouri (WBE) for architectural support; GoEnergistics, LLC, Southlake, Texas (SDVE) for medical equipment planning; CMG Fire Protection Engineering, Inc., Overland Park, Kansas (WBE) for code consulting; and Kansas City Audio Visual, Inc., Kansas City, Missouri, for audio/visual planning.

The selection committee also interviewed HOK Architects, Inc. St. Louis, Missouri, and TreanorHL, Inc., Kansas City, Missouri.

The fee for basic architectural and engineering services has been determined based on the University of Missouri's "Architectural and Engineering Basic Services Fee Estimating Guidelines." The project is a Type V – New Construction (considerably more complex than average), and the maximum basic services calculated fee permitted is 5.50% of the \$174,999,068 construction contract cost, for \$9,624,949. Additional services for medical equipment planning and coordination; design of four bid alternates; audio-visual planning; building envelope/curtainwall consultant; building maintenance system consultant; mockup design and coordination; cost reconciliation associated with a CMR delivery; and multiple bid packages is anticipated at \$2,675,728, for a total design fee of \$12,300,677.

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Project delivery will be by Construction Manager at Risk (CMR) and the construction cost is estimated at \$554/GSF with project completion Summer 2024.

Project funding will be provided by a minimum of \$32,000,000 from capital and not to exceed \$200,000,000 from long-term debt financing. The project funding plan anticipates contributions of up to \$25,000,000 from private gifts. To the extent these gifts are secured, the amount of long-term financing required (\$200,000,000) will be reduced accordingly. The long-term financing component is not anticipated to initially require a new bond issuance and will be accomplished within the University's central bank program through re-allocation of existing external debt and issuance of commercial paper. In addition to long-term financing, the project funding plan may utilize short-term financing, pending the final receipt of funds from external sources. Funding for the estimated annual debt service of \$15,184,000 will come from operating cash flows of the hospital.

No. 4

Recommended Action - Project Approval, MU Health Care – Children’s Hospital New Facility, MU

It was recommended by UM System President and MU Chancellor Mun Y. Choi, recommended by the Finance Committee, moved by Curator _____ and seconded by Curator _____, that the following action be approved:

the project approval for the MU Health Care – Children’s Hospital New Facility, MU

Funding of the project budget is from:

Reserves	\$ 32,000,000
Long Term Debt (not to exceed)*	<u>\$200,000,000</u>
Total	\$232,000,000

*Gifts received will reduce long term debt for project

Roll call vote of the Committee: YES NO

Curator Chatman
Curator Hoberock
Curator Steelman
Curator Williams

The motion _____.

Roll call vote: YES NO

Curator Brncic
Curator Chatman
Curator Graham
Curator Hoberock
Curator Layman
Curator Snowden
Curator Steelman
Curator Wenneker
Curator Williams

The motion _____.

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