

Kenai Peninsula Borough
Finance Department

MEMORANDUM

TO: Wayne Ogle, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *cfi*

FROM: John Hedges, Purchasing and Contracting Director *[Signature]*
Brandi Harbaugh, Finance Director *BVZ*

DATE: July 25, 2019

RE: Ordinance 2019-19-06, Approving the Purchase and Installation of a Deaerator Tank from the South Peninsula Hospital Service Area Capital Project Fund (Mayor)

On June 18, 2019 the borough received notice from South Peninsula Hospital, Inc. ("SPH, Inc.") that its deaerator tank is experiencing issues. This system is vital for dissolving the oxygen out of the water while supplying all three boilers with preheated and chemically treated water to help protect them from internal corrosion and scale buildup. Replacement and installation of the deaerator tank should occur as soon as possible to ensure there is no disruption to patient care.

The current deaerator tank was purchased refurbished 34 years ago. All temporary low cost options have been used to repair leaks and extend the life of the existing tank with no success.

SPH requested quotes from several vendors, however at this point only one vendor had provided a quote.

Sufficient funds are available in the SPH capital project fund to support this need. This ordinance would appropriate \$180,000 for the purchase and installation of a deaerator tank.

Your approval of this ordinance would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>491.00000.00000.27910</u>
Amount:	<u>\$180,000</u>
By: <u>PH</u>	Date: <u>7/22/19</u>