

Kenai Peninsula Borough

Purchasing & Contracting Department

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor *CP*
Brandi Harbaugh, Finance Director *BH*

FROM: John Hedges, Purchasing & Contracting Director *JH*

DATE: January 6, 2022

RE: Ordinance 2021-19-35, Appropriating Funding from the Central Peninsula Hospital Plant Replacement and Expansion Fund for the Central Peninsula Hospital Hot Lab Upgrade to ISO Cleanroom Project (Mayor)

Central Peninsula Hospital currently provides nuclear medicine as a service. This service requires a small amount of radioactive material or tracer, which is a radiopharmaceutical, to be produced. Radiopharmaceuticals fall under the control of the US Nuclear Regulatory Commission, which publishes regulations and guidance for compliance. These regulations can be found in *US Pharmacopeia (USP) 825 Radiopharmaceuticals – Preparation, Compounding, Dispensing, and Repackaging* and follow ISO guidelines.

Central Peninsula Hospital is looking to upgrade the Nuclear Medicine Hot Lab to comply with new regulations, creating a safer environment. In order to comply with the new regulations, CPH administration has identified the scope of the project, provided for a gap analysis, and project cost estimate to include remodeling of space, a compounding isolator and dose calibrator.

The original budget appropriated for the project was \$568,194. After design and purchase of the compounding isolator were completed, the project was released for bidding. Two responsive and responsible bids were received, with the low bidder being \$483,939. Reviewing the total budget of the project with the construction cost identified, an additional \$301,584 is needed to complete the project. KPB and CPH will work with the contractor after they are under contract to identify possible cost savings.

Assembly approval of the additional appropriation to complete this project using the Central Peninsula Hospital Plant Replacement and Expansion Fund is requested.

FINANCE DEPARTMENT FUNDS/ACCOUNT VERIFIED	
Account:	490.20602 _____
Amount:	\$301,584 _____
By: <i>CPJ</i>	Date: 1/6/2022 _____