

Kenai Peninsula Borough

Purchasing and Contracting Department

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, KPB Assembly

THRU: Peter A. Micciche, Mayor *PM*
Brandi Harbaugh, Finance Director *BH*

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

DATE: June 27, 2024

RE: Resolution 2024- 030 , Approving the Project Scope of Work for the Renovation of the 203 Pioneer Avenue Property for South Kenai Peninsula Hospital Service Area Purposes (Mayor)

South Peninsula Hospital Inc. (SPHI) manages and operates the South Peninsula Hospital Campus pursuant to the operating between SPHI and KPB. SPHI has determined that a childcare facility will assist with retention and recruiting of employees and, therefore, is essential to the future growth and sustainability of South Peninsula Hospital.

Renovations are necessary to get the property at 203 W Pioneer Avenue suitable for a childcare facility including the addition of sprinkler systems and upgrades to electrical wiring.

It is estimated that the total cost of the project to remodel the property for employer-provided daycare purposes will be \$999,476. The operating agreement requires Assembly approval of Capital Improvement Projects when the expected cost exceeds \$500,000. SPHI is managing this project.

Your consideration is appreciated.