



## **KENAI PENINSULA BOROUGH**

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**MIKE NAVARRE**  
**BOROUGH MAYOR**

### **MEMORANDUM**

**TO:** Dale Bagley, Assembly President  
Members, Kenai Peninsula Borough Assembly

**THRU:** Mike Navarre, Mayor *MN*

**FROM:** Craig Chapman, Director of Finance *C Chapman*

**DATE:** April 9, 2015

**SUBJECT:** Resolution 2015-*021*, A Resolution Approving a Capital Lease Agreement for the Acquisition of Alaris/CareFusion Smart Pumps at South Peninsula Hospital

The South Peninsula Hospital's current patient controlled Analgesia (PCA), Epidural, and Syringe pumps are over 10 years old, are no longer supported and in need of replacement. A multi-department team at the hospital evaluated replacement pumps and recommend Alaris brand through CareFusion. These are smart pumps which improve patient safety and are the national standard of care.

South Peninsula Hospital, Inc. (SPHI) is proposing that they enter into a 60-month capital lease with CareFusion for new pumps. The capital cost is \$401,094, with monthly payments of \$7,302. The interest rate is approximately 3.53 percent and the SPHI has included the payments in its operating budget.

Paragraph 13(e) of the Sublease and Operating Agreement requires that SPHI receive authorization from the Borough Assembly prior to entering into any lease in excess of \$100,000 and paragraph 12(b)(iii) of the lease and operating agreement requires that the SPHI receive authorization from the Borough Assembly on all capital expenditures costing \$250,000 or more, regardless of the funding sources.

SPHI and South Kenai Peninsula Hospital Service Area are requesting the assembly approve this resolution.