




Kenai Peninsula Borough
Finance Department

MEMORANDUM

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

THRU: Charlie Pierce, Mayor 

FROM: Brandi Harbaugh, Finance Director 
John Hedges, Acting Purchasing and Contracting Director 

DATE: April 4, 2019

RE: Ordinance 2018-19-34, Approving the Purchase and Installation of 33 Patient Monitors for the South Peninsula Hospital and Appropriating \$756,000 from the South Peninsula Hospital Service Area Plant Replacement and Expansion Fund (Mayor)

On April 2, 2019, the borough received notice from South Peninsula Hospital, Inc. ("SPH, Inc.") that its 13-year-old patient monitoring system is experiencing issues. Replacement and installation of the 33 patient monitors should occur as soon as possible to ensure there is no disruption to patient care.

South Peninsula Hospital provides patient care for many different acuties. It is important that staff have monitors readily available to ensure that their patients are safely taken care of. As described in their request of March 21, 2019, their monitors are 13 years old and the service agreement to repair these devices is not renewable. They do not have enough monitors to borrow, and are moving monitors from other departments to care for patients. They have three telemetry packs at present; they originally had five but due to inability to repair, two of these are out of service. Recently, the hard drive failed for the telemetry units and they were unable to transmit telemetry to the central station. They currently are leasing a hard drive while theirs is repaired.

In addition, the emergency department ("ED") has limited ability to monitor end tidal CO₂ (capnography) which is now considered the standard. Replacing all 10 ED monitors will elevate their standard of care, as all monitors in the ED will be able to provide end tidal CO₂. End tidal CO₂ can be used to better assess patients in respiratory distress, cardiac arrest and shock which is needed for immediate assessment of critical patients.

The SPH, Inc. management obtained three quotes from three vendors offering equal quality and functionality, and GE was found to have excellent service reviews and additional training availability.

The Kenai Peninsula Borough and SPH, Inc. have entered into a sublease and operating agreement which requires authorization from the borough assembly to enter into a lease that obligates the borough for more than one year, or in excess of \$100,000. The agreement also requires that all equipment purchases in excess of \$250,000 or more, must be separately approved by the borough assembly.

At its regular meeting of March 27, 2019, the SPH, Inc. board recommended approval of this expenditure by unanimous consent. The South Kenai Peninsula Hospital Service Area Board will hold its next regular meeting on April 11, 2019, and provide its recommendations to the assembly prior to the scheduled hearing on this ordinance.

Sufficient funds will be available in the SPH Plant Replacement and Expansion Fund to support this additional need upon approval by SPH, Inc. board of the transfer of cash on hand in excess of 90 days to the Plant Replacement and Expansion Fund. This ordinance would appropriate \$756,000 for the purchase and installation of 33 patient monitors.

Your approval of this ordinance would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No.	<u>491.00000.00000.20602</u>
Amount:	<u>\$756,000</u>
<i>Contingent upon SPH Inc. Board approval of transfer of cash in excess of 90 days to the PERF</i>	
By: <u>pp</u>	Date: <u>4/4/19</u>