

Executive Summary

To: CPGH, Inc. Board of Directors
From: Lance Spindler, CFO
Date: January 23, 2019
Re: Increase OB/Cath Lab Budget by \$1,238,118

I am presenting Resolution 2019-08 to increase the current budget for the OB/Cath Lab.

When the OB/Cath Lab budget was developed, several key items were based upon our best estimates at the time. As CPH staff has worked through multiple evaluations of the different vendors providing Cath Lab, Interventional Radiology, Hemodynamic Monitoring, and other related equipment, we have chosen the vendors which offered the best equipment at the best price. Our initial estimates which were included in the original project budget were too low.

This has resulted in the need to increase the OB/Cath Lab budget to accommodate the final prices of these items. The major items comprising the additional \$1,238,118 being requested are:

• Cath Lab Equipment – IT Components	\$881,457
• Hemodynamic Monitoring Equipment	\$356,661
Total	\$1,238,118

This will increase the Furniture, Fixtures & Equipment (FF & E) portion of the project budget from \$3,881,600 to \$5,119,718, which will be sufficient to complete the project. If this resolution is approved by the CPH board, it will be forwarded to the borough for their consideration and approval since the request is to take these additional funds from the PREF.

The overall project is at least 2 months ahead of schedule, which has compressed the timeline. To avoid any delays, if this resolution is approved by CPH's board, we will sign the letter of commitment for the equipment listed above. The funds needed now will be shifted from the items which are scheduled to be purchased later in the project. This will give the borough time to act on the resolution. CPH's executive team has discussed this with John Hedges from the borough and he assured us that there is support for this at the borough level.

The OB/Cath Lab project has a contingency fund of \$1.5 million. At the end of the project, when this contingency fund is released, if it creates a surplus, that surplus will be refunded back into the CPH PREF. The current balance in the PREF is \$44 million. An additional \$3.5 million is being transferred this month.