

# Kenai Peninsula Borough Purchasing & Contracting

## MEMORANDUM

**TO:** Mike Navarre, Mayor

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

**DATE:** January 10, 2023

**RE:** Authorization to Award a Contract for Professional Design Services for South Peninsula Hospital Nuclear Medicine, Infusion and Pharmacy

The Purchasing and Contracting Office asked for a proposal for Professional Design Services for South Peninsula Hospital Nuclear Medicine, Infusion and Pharmacy.

This project consists of Design Development and Construction Administration Services for the successful completion of the South Peninsula Hospital's NucMed, Infusion, and Pharmacy renovation project.

According to Ordinance 2022-19-32, a sole source was approved to accept the proposal in the amount of \$628,283.00 from Architects of Alaska, Inc., Anchorage, Alaska.

Your approval for this award is hereby requested. Funding for this project is in account number 491.81210.23SPH.49311.

*Mike Navarre*  
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 Mike Navarre, Mayor

1/10/2023  
 \_\_\_\_\_  
 Date

FINANCE DEPARTMENT FUNDS VERIFIED	
Acct. No.	491,81210.23SPH.49311
Amount	\$628,283.00
By: <i>CJ BH</i>	Date: 1/10/2023

NA

Introduced by:	Mayor
Date:	11/15/22
Hearing:	12/13/22
Action:	Enacted
Vote:	9 Yes, 0 No, 0 Absent

**KENAI PENINSULA BOROUGH  
ORDINANCE 2022-19-32**

**AN ORDINANCE DEOBLIGATING PREVIOUSLY APPROPRIATED PROJECT FUNDS OF \$1,522,530 AND APPROPRIATING \$659,783 OF THOSE FUNDS FOR THE EXPANDED SCOPE OF SOUTH PENINSULA HOSPITAL NUCLEAR MEDICINE/PHARMACY/INFUSION RENOVATION PROJECT**

**WHEREAS,** the Kenai Peninsula Borough ("Borough") owns and provides for the operation of South Peninsula Hospital ("Hospital") through the South Kenai Peninsula Hospital Service Area, ("Service Area"); and

**WHEREAS,** the Borough has entered into an operating agreement with South Peninsula Hospital, Inc. ("SPHI") for the lease and operation of the Hospital and other medical facilities, to operate these medical facilities on a nonprofit basis in order to ensure the continued availability of the medical services to the service area residents and visitors; and

**WHEREAS,** through previous capital project appropriations and the ongoing master planning process, SPHI and the Borough have identified the nuclear medicine service line, the pharmacy renovation, and the infusion clinic as areas of service that are in immediate need for improvement.; and

**WHEREAS,** toward that end, the combining of these areas of work is both necessary and more effective in the execution of the projects; and

**WHEREAS,** approval of the requested funding will allow for the design and development of bid ready plans for the project, assistance with the certificate of need process through the Department of Health and Social Services, third party cost estimating, and other project related preliminary expenditures; and

**WHEREAS,** it is requested that a sole source award to Architects of Alaska, Inc. for the design services be approved by the Assembly; and

**WHEREAS,** the estimated total cost of the design portion of the project is \$659,783; and

**WHEREAS,** South Peninsula Hospital Plant Replacement and Expansion funds of \$567,530 are being deobligated from the previously appropriated FY21 Nuclear Medicine Project; and

**WHEREAS,** South Peninsula Hospital Capital Project funds of \$400,000 are being deobligated from the previously appropriated FY23 Nuclear Medicine Project; and

**WHEREAS,** South Peninsula Hospital Capital Project funds of \$555,000 are being deobligated from the previously appropriated FY22 Pharmacy Remodel Project; and

**WHEREAS,** funding for the expanded Nuclear Medicine/Pharmacy/Infusion Renovation Project will come from South Peninsula Hospital Capital Project funds previously appropriated and deobligated from the Nuclear Medicine and Pharmacy projects; and

**WHEREAS,** at its meeting on November 10th, 2022, the Service Area Board recommended approval of the appropriation of the funding for the project;

**NOW, THEREFORE, BE IT ORDAINED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH:**

**SECTION 1.** That South Peninsula Hospital Plant Replacement and Expansion funds in the amount of \$567,530 are deobligated from the previously appropriated Nuclear Medicine Renovation Project 491.81210.21SHA.49999.

**SECTION 2.** That South Peninsula Hospital Capital Project funds in the amount of \$400,000 are deobligated from previously appropriated Nuclear Medicine Renovation Project 491.81210.23SHB.49999.

**SECTION 3.** That South Peninsula Hospital Capital Project funds in the amount of \$555,000 are deobligated from previously appropriated Pharmacy Remodel Project 491.81210.22SHA.49999.

**SECTION 4.** That South Peninsula Hospital Capital Project funds in the amount of \$659,783 are appropriated from Sections 2 and 3 de-obligated project funds to account 491.81210.23SPH.49999 for the SPH Preliminary Design and Development for Nuclear Medicine, Pharmacy and Infusion Renovation Project.

**SECTION 5.** That the appropriations made in Section 4 of this ordinance are of a project length nature and as such do not lapse at the end of any particular fiscal year.

**SECTION 6.** That this ordinance shall be effective immediately upon enactment.

ENACTED BY THE ASSEMBLY OF THE KENAI PENINSULA BOROUGH THIS 13TH DAY OF DECEMBER, 2022.

Brent Johnson  
Brent Johnson, Assembly President

ATTEST:

Michele Turner  
Michele Turner, CMC, Acting Borough Clerk



Yes: Bjorkman, Chesley, Cox, Derkevorkian, Ecklund, Elam, Hibbert, Tupper, Johnson  
No: None  
Absent: None

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