

To: SPH Board of Directors
From: Jim Basch, Int CFO and Glenn Radeke, Director of Facilities
Date: June 20, 2019
Re: Deaerator Tank

The current deaerator was installed in 1985 and is used to supply preheated, chemically treated feed water to three boilers. This system is vital for dissolving the oxygen out of the water while supplying all three boilers with preheated and chemically treated water to help protect them from internal corrosion and scale buildup.

This Deaerator tank constitutes an unbudgeted capital purchase with reallocation of budgeted capital funds from the Service Area Capital Fund. SPH must follow steps for submitting capital to the SPH Board of Directors, the Hospital Service Area Board, and the Assembly for approval.

JUSTIFICATION:

We recently became aware the deaerator tank was leaking. All temporary low cost options have been used or pursued to repair the leak with little to no success. We have been working with Peninsula Plumbing, Muira Boilers, and Alaska Boiler & Burners to quote a more efficient and reliable system to include installation. The only one to give us a quote has been Alaska Boiler & Burners.

Alaska Boiler & Burner LLC: Superior Boiler Works Deaerator tank \$180,000.00
quote was grossed up 25% for mechanical engineering design

This resolution would approve the purchase.

Recommended Motion: Pass and Adopt SPH Resolution 2019-09, A Resolution Approving the Purchase and Installation of the Superior Boiler Works Deaerator Tank.

Introduced by: Administration
Date: 6/26/19
Action: Approved
Vote: Yes - 8, No -0, Excused - 2

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2019-09**

A RESOLUTION APPROVING THE PURCHASE AND INSTALLATION OF THE SUPERIOR BOILER WORKS DEAERATOR TANK

WHEREAS, the South Peninsula Hospital (SPH) is experiencing issues with the current, deaerator tank installed in 1985;

WHEREAS, the system is vital for dissolving the oxygen out of the water while supplying all three boilers with preheated and chemically treated water to help protect the boilers from internal corrosion and scale buildup; and

WHEREAS, all temporary low cost options have been used to repair leaks with little to no success; and

WHEREAS, this project is an unbudgeted capital item; and

WHEREAS, SPH has available fund through the Service Area Capital Funds from previous appropriated and budgeted items; and

WHEREAS, SPH Management has been working with Peninsula Plumbing, Muira Boilers, and Alaska Boiler & Burners to quote a more efficient and reliable system to include installation; and

WHEREAS, SPH Management is recommending the Alaska Boiler & Burner LLC quote acceptance for \$143,990 for Superior Boiler Works Deaerator tank; and

WHEREAS, the quote was grossed up 25% to total \$180,000 to include mechanical engineering design; and

WHEREAS, Management has recommended the purchase and installation of Superior Boiler Works Deaerator tank; and

WHEREAS, this resolution was approved by the Finance Committee at its June 20, 2019 meeting.

WHEREAS, per the Sublease and Operating Agreement, SPH is required to take this request to the Service Area Board (SAB) and Assembly for final approval;

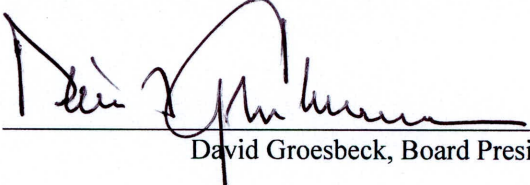
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA HOSPITAL:

1. That Management is authorized and directed to accept the quotes from Alaska Boiler & Burner LLC for the purchase and installation of Superior Boiler Works Deaerator tank on behalf of the Hospital, following approval from the SAB and Borough Assembly.
2. That Management is hereby authorized to take any other actions that are necessary or desirable to achieve the intent of these Resolutions.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF SOUTH PENINSULA AT ITS MEETING HELD ON THIS 26th DAY OF June, 2019.

ATTEST:


Bernadette Wilson, Secretary


David Groesbeck, Board President