




Kenai Peninsula Borough

Purchasing & Contracting Department

MEMORANDUM

TO: Brent Johnson, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Mayor 

FROM: John Hedges, Purchasing & Contracting Director 
Brandi Harbaugh, Finance Director 

DATE: July 28, 2022

RE: Ordinance 2021-19-60, Expanding the Scope of Work for the South Peninsula Hospital's Air Conditioning for Long-Term Care and Rehab Project (Mayor)

Through enactment of the Fiscal Year 2022 (FY22) budget, the Kenai Peninsula Borough (Borough) appropriated funding, at the request of the South Kenai Peninsula Hospital Service Area Board (SKPH SAB) and South Peninsula Hospital, Inc.(SPHI) for the Air Conditioning (HVAC) for Long-Term Care and Rehab Project.

During FY22, the Borough's Purchasing and Contracting Department was also assisting SPH in developing a scope of work to replace the dilapidated domestic hot water system in the hospital facility. At this time no funding had been appropriated for the hot water rehabilitation project.

In the interest of efficiency, it was decided to hire a mechanical consultant to assist in scope development and design for both projects under the same contract. The intent was to seek funding for the domestic hot water project once a value for the services was provided by the successful consultant. The entire scope development and design contract was fund verified under the HVAC funding instead of broken down by the two projects; HVAC and domestic hot water projects. This error was not caught until the funding for the hot water project was appropriated through Ordinance 2021-19-53.

In coordination with the SPH administration, the Borough's Purchasing and Contracting Department recommends that the scope of work for the HVAC project be expanded to include the development, design, and project management services work for the domestic hot water project. Funding is available in the HVAC project account to cover up to \$90,000.00 in design and

Page -2-
July 28, 2022
RE: O2022-31

project management services
associated with the domestic hot
water project.

Your consideration of the ordinance is
appreciated.

**FINANCE DEPARTMENT
FUNDS/ACCOUNT VERIFIED**

Account: 491.81210.22SHB.48516

Amount: up to \$ 90,000.00

By:  Date: 7/25/2022