

RESOLUTION 2015-04

**A RESOLUTION APPROVING COMPLETION OF PHASE III/IV OF THE
MASTER PLAN FOR THE CENTRAL PENINSULA HOSPITAL IMAGING DEPARTMENT,
AND THE TRANSFER OF FUNDS FROM THE PLANT REPLACEMENT FUND**

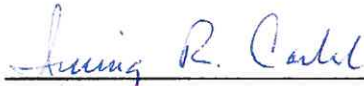
1. **WHEREAS**, the Kenai Peninsula Borough has entered into a Lease and Operating Agreement with Central Peninsula General Hospital Inc. ("CPGH, Inc") for the lease and operation of Central Peninsula Hospital and other Medical Facilities, and to provide other healthcare programs and services, on a nonprofit basis to ensure continued availability to the Service Area residents; and,
2. **WHEREAS**, the Imaging department at Central Peninsula Hospital is undergoing a five phase Expansion and Remodel Master Plan to improve the department which was last renovated in the 1980's; and,
3. **WHEREAS**, Phases I and II of the Imaging Master Plan are near completion, leaving Phases III, IV, and V to be completed; and,
4. **WHEREAS**, completion of Phases III/IV of the Imaging Master Plan will allow installation of recently approved Fluoroscopy equipment into its permanent location without requiring significant down time for that service, and the project will complete the permanent space for replacement of MRI and Nuclear Medicine equipment that are nearing the end of their life cycle; and,
5. **WHEREAS**, the total projected cost for this project is \$3,134,745, which represents 8.2% of the FY14 annual gross patient revenue for Imaging Services; and,
6. **WHEREAS**, sufficient funds are available in the Central Peninsula Hospital Plant, Replacement and Expansion Fund to pay for the total projected cost of Phase III/IV of the Imaging Master Plan; and,
7. **WHEREAS**, under §13(b) of the Lease and Operating Agreement, and transfer in or out of the CPH Plant, Replacement, and Expansion Fund shall be approved by the CPGH, Inc. Board; and,
8. **WHEREAS**, CPGH Inc. Administration recommends that the CPGH Inc. Board of Directors approve the Phase III/IV Imaging Remodel Project, and approve the transfer of funds in the amount of \$3,134,745 out of the CPH Plant, Replacement and Expansion Fund to pay for this project; and,
9. **WHEREAS**, CPGH, Inc. has and shall abide by any and all conditions within 10(c) Purchasing Procedures of the Lease and Operating Agreement regarding contracts for the Phase III and IV Imaging Remodel Project; and,
10. **WHEREAS**, under KPB Code §5.04.11.A, a voter referendum is not required for capital improvement projects to CPH paid for by expenditures from the CPH Plant, Replacement and Expansion Fund; and,
11. **WHEREAS**, under §12(b)(iii) of the Lease and Operating Agreement, all capital improvement projects expected to exceed \$250,000 using funds not previously appropriated for that purpose must be approved by the Borough Assembly after consideration by the Service Area Board.

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF CENTRAL PENINSULA GENERAL HOSPITAL, INC., A NOT-FOR-PROFIT ALASKA CORPORATION, THAT:

- SECTION 1.** The CPGH Inc. Board of Directors approves the Phase III/IV Imaging Remodel Project at the total cost of \$3,134,746, with the funds for payment to be made from the CPH Plant, Replacement and Expansion Fund.
- SECTION 2.** The CPGH Inc. Board of Directors approves the transfer of \$3,134,746 from the CPG Plant, Replacement, and Expansion Fund for expenditures for the Phase III/IV Imaging Remodel Project, subject to consideration by the Service Area Board and to the approval of the Borough Assembly.
- SECTION 3.** This resolution becomes effective upon its adoption by the CPGH Inc. Board of Directors.

I certify that the above resolution was approved by vote of the Board of Directors of Central Peninsula General Hospital, Inc. at the 01/29/15 Board meeting.

DATED: 01/29/15



Irv Carlisle, Secretary/Treasurer
CPGH, Inc. Board of Directors

7. COST ESTIMATE

7.1 CONCEPT ESTIMATE: Estimated construction cost has been evaluated on a SF basis. SF cost has been derived from cost data from the 2009 Women's Imaging Clinic and the Radiology Department Phase 1 Renovations

Previously Approved Work

Phase I Project Cost (Completed in 2013)	\$ 980,431
Phase II Project Cost (Completion December 2014)	\$3,000,000
CT Equipment (Purchased 2014)	\$1,630,000

Total Costs Approved to Date	\$5,610,321

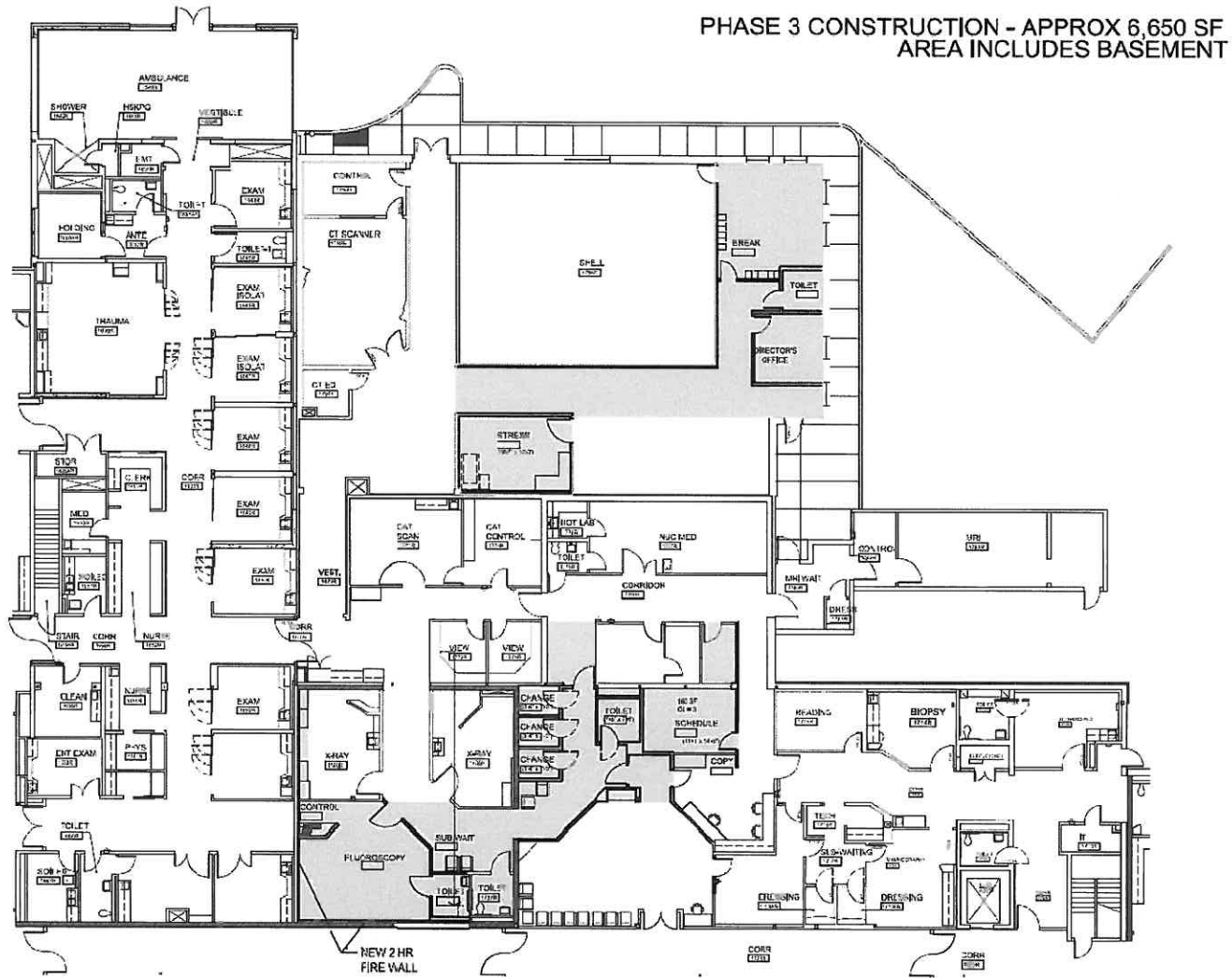
Remaining Work

	Phase III	Phase IV	Phase V	
Construction and Site Development	\$1,642,520	\$663,410	\$1,398,688	
Construction Contingency <i>(10.0% of construction and site development cost)</i>	\$ 164,252	\$ 66,341	\$ 139,869	
Construction Cost Escalation <i>(Accounted for in estimated construction cost per phase. 3% additional escalation for one year delay for Phase III, IV and V)</i>	\$ 54,203	\$ 21,893	\$ 46,157	
Furniture	\$ 16,000	\$ 14,000	\$ 60,000	
Professional Design Fees <i>(Including 3rd party review)</i>	\$ 207,600	\$ 88,905	\$ 171,726	
Permitting	\$ 23,927	\$ 10,247	\$ 19,792	
Development Fees <i>(TIFs, SDCs, etc.)</i>	\$ 12,101	\$ 5,182	\$ 10,010	
KPB Administrative Fee <i>(1% of Construction Cost)</i>	\$ 21,206	\$ 8,700	\$ 44,368	
KPB Project Management Fee	\$ 80,000	\$ 34,260	\$ 66,176	
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Sub Total Cost	\$2,221,809	\$ 912,937	\$1,930,880	Total - \$5,065,626

Remaining Equipment

Equipment - MRI	\$2,000,000
Equipment – Spect CT	\$1,000,000
Grand Total Remaining Project Cost (Remaining Phases plus Equipment)	\$8,120,513

*Notes:**(i) Phase 1 - Actual Construction Cost**(ii) Based on HMS cost estimate with adjustments for revised scope.**(iii) Based on \$370/SF (2015 cost) for work within department.**Work differed from Phase II (\$420,000) is added to total and averaged over area of work within department.**(iv) Based on \$350/SF (2015 cost) and 5% escalation adjustment.**(v) Based on \$370/SF (2015 cost) and 10% escalation adjustment.*



Job #: 12106
MASTER PLAN SUMMARY

COST ESTIMATE

PHASE 4 CONSTRUCTION - APPROX 2,000 SF

