

Kenai Peninsula Borough
Office of the Borough Clerk

MEMORANDUM

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

FROM: Michele Turner, Acting Borough Clerk *MT*

DATE: June 6, 2023

RE: Ordinance 2022-19-71: Appropriating Funds from the South Peninsula Hospital Plant Replacement and Expansion Fund for Upgrades to the Generator Annunciator and Switch Gear at South Peninsula Hospital (Mayor)

Per KPB 22.40.050(F), the borough clerk, or the clerk's designee in his or her absence, has the authority to revise pending resolutions and ordinances prior to assembly action, by filling in any blanks in the legislation stating advisory board recommendations made concerning the legislation. This serves as our memorandum to advise the assembly of same.

Conforming to the advisory boards' actions, the last two Whereas clauses have been updated to read:

"WHEREAS, the SPHI board, at its May 24, 2023 meeting, adopted a resolution requesting the use of PREF funds to provide funding for the improvements to the annunciator and switch gear for the backup generators project at South Peninsula Hospital; and

WHEREAS, the South Kenai Peninsula Hospital Service Area Board, at its May 11, 2023 meeting, recommended approval;"

Thank you.

**SOUTH PENINSULA HOSPITAL
BOARD RESOLUTION
2023-13**

**A RESOLUTION OF THE SOUTH PENINSULA HOSPITAL BOARD OF DIRECTORS
APPROVING THE REQUEST OF \$613,020 OF PLANT REPLACEMENT AND
EXPANSION FUNDS TO SUPPORT UPGRADES TO THE GENERATOR
ANNUNCIATOR AND SWITCH GEAR**

WHEREAS, South Peninsula Hospital Administration has identified the need to upgrade the annunciator and switch gears for the backup generators in order to meet current life safety codes and remedy an outstanding CMS (Centers for Medicare and Medicaid Service) citation, and

WHEREAS, the Hospital has two backup generators, the older of which is well past its usual life expectancy and thus difficult to service or repair, with parts being difficult to find, and

WHEREAS, in order to maintain redundancy for backup power generation and comply with current life safety codes, upgrades to the switch gear and annunciator along with other related work is necessary; and

WHEREAS, the cost to upgrade the annunciator and switch gear is estimated at \$613,020; and

WHEREAS, South Peninsula Hospital did reach out to multiple vendors for quotes on this upgrade, and ultimately decided to sole source this work to NC Machinery due to the proprietary nature of the generator components and NC Machinery's proven track record of past performance on this equipment; and

WHEREAS, SPH Management would like to request \$613,020 from the Plant Replacement and Expansion Fund to be appropriated to complete the upgrade of the annunciator and switch gear; and

WHEREAS, the upgrades to the annunciator and switch gear were discussed at Finance Committee on May 18, 2023.

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

1. That the South Peninsula Hospital Board of Directors approves the use of \$613,020 from the Plant Replacement and Expansion fund to upgrade the annunciator and switch gear, following recommendation from the Service Area Board and approved by the Kenai Peninsula 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 HOSPITAL AT ITS MEETING HELD ON THIS 24TH DAY OF MAY, 2023.

ATTEST:



Julie Woodworth, Board Secretary



Kelly Cooper, Board President

**SOUTH KENAI PENINSULA HOSPITAL
SERVICE AREA BOARD**

RESOLUTION 2023-07

**A Resolution of the South Kenai Peninsula Hospital Service Area Board
Recommending Approval of the Request of \$613,020 of Plant Replacement
and Expansion Funds to Support Upgrades to the
Generator Annunciator and Switch Gear**

WHEREAS the South Peninsula Hospital, Inc. (SPHI) operates the hospital pursuant to an Operating Agreement with the Kenai Peninsula Borough on behalf of the South Kenai Peninsula Hospital Service Area (SKPHSA); and

WHEREAS SPH administration has identified the need to upgrade the annunciator and switch gears for the backup generators in order to meet current life safety codes and to remedy an outstanding Centers for Medicare and Medicaid Service (generally referred to as CMS) citation; and

WHEREAS SPH has two backup generators, the older of which is well past its usual life expectancy and thus difficult to service or repair, with parts being difficult to find; and

WHEREAS in order to maintain redundancy for backup power generation and to comply with current life safety codes, upgrades are necessary to the switch gear and annunciator, along with other related work; and

WHEREAS the cost to upgrade the annunciator and switch gear is estimated at \$613,020; and

WHEREAS SPH reached out to multiple vendors for quotes on this upgrade and ultimately decided to sole source this work to NC Machinery due to the proprietary nature of the generator components and NC Machinery's proven track record of past performance on this equipment; and

WHEREAS SPH management would like to request \$613,020 from the Plant Replacement and Expansion Fund to be appropriated to complete the upgrade of the annunciator and switch gear; and

WHEREAS upgrades to the annunciator and switch gear were discussed at the South Peninsula Hospital, Inc., Board of Directors (BOD) Finance Committee meeting on May 18, 2023; and

WHEREAS the BOD's next meeting will be May 24, 2023, and thus the BOD will not be able to review this resolution until its May meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD:

That the South Kenai Peninsula Hospital Service Area Board—assuming the above noted South Peninsula Hospital, Inc., Board of Directors' approval takes place as anticipated at its May 24, 2023 meeting— hereby respectfully recommends approval of South Kenai Peninsula Hospital Service Area Board Resolution 2023-07, recommending approval of the use of \$613,020 from the Plant Replacement and Expansion Fund to upgrade the generator annunciator and switch gear.

PASSED AND ADOPTED BY THE SOUTH KENAI PENINSULA HOSPITAL SERVICE AREA BOARD AT ITS MEETING HELD ON THIS 11th DAY OF MAY 2023.

ATTEST:

A handwritten signature in black ink, appearing to read "Helen Armstrong", is written over a horizontal line.

Helen Armstrong, Chair

South Kenai Peninsula Hospital Service Area Board