

## Executive Summary

To: CPGH, Inc. Board of Directors  
From: Lance Spindler, CFO  
Date: 9/18/2018  
Re: Executive Summary - Resolution to purchase da Vinci Xi Robot System

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Multiple surgeons have approached CPH Administration, requesting the purchase of a robotic surgery system. They have indicated that this will allow them to perform surgeries that are more complex in a less invasive manner, which leads to fewer complications and a higher success rate.

CPH has included familiarity with and willingness to use a surgical robot system in its recruitment efforts over the past 2 years; attempting to bolster the use of a robotic surgical system should the decision be made to purchase one. Though the information is anecdotal, CPH Administration and CPH surgeons believe cases are leaving the area to be performed in Anchorage and other locations outside of CPH due to the lack of a surgical robot system.

All of these factors combine to support the purchase of a surgical robotic system. CPH Administration has surveyed the systems available and the one that best meets the needs of CPH surgical staff is the da Vinci Xi system. This provides the best balance of the capabilities of the system, the capabilities of the surgeons, and the needs of the patient population in the CPH Service Area.

After lengthy negotiations, the da Vinci offer is very competitive – including several discounts. In addition to the purchase price of \$2,015,000 an additional \$235,000 is included for onsite implementation of the system. This includes the significant training necessary to use and maintain the system.