

Kenai Peninsula Borough

Purchasing and Contracting Department

MEMORANDUM

TO: Kelly Cooper, Assembly President
Members, Kenai Peninsula Borough Assembly

THRU: Charlie Pierce, Borough Mayor CP

FROM: John Hedges, Purchasing and Contracting Director JH
Dan Nelson, OEM Senior Director DN
Brenda Ahlberg, Community and Fiscal Projects Manager BA
Brandi Harbaugh, Finance Director BH

DATE: May 21, 2020

RE: Emergency Ordinance 2019-19-40, Appropriating Funds from the Central Peninsula Hospital Plant Replacement Fund to Purchase a High Capacity Molecular Testing Platform in Order to Better Ensure Testing Resources Necessary to Protect the Borough Residents and Businesses from the Novel Coronavirus Disease During and After Reopening the Borough, and Authorizing a Proprietary Procurement (Mayor)

In response to the 2020 COVID-19 pandemic, discussions between the Kenai Peninsula Borough Mayor, Central Peninsula Hospital and South Peninsula Hospital administrations, have determined that COVID-19 testing for borough residents is neither rapid, reliable nor ubiquitous as necessary to protect our communities.

Due to lack of a centrally located high capacity testing, less than 3 percent of the population of the Kenai Peninsula Borough has been tested for COVID-19, therefore Central Peninsula Hospital, South Peninsula Hospital (both borough-owned hospitals) and the Kenai Peninsula Borough Mayor have determined the purchase of a centralized high capacity rapid test system is necessary to protect borough residents and businesses under the multiple declared COVID-19 public health emergencies at the federal, state, and local levels as the pandemic continues to plague and disrupt our communities.

This ordinance is an emergency ordinance due to the ongoing COVID-19 pandemic and the high priority need for prompt accurate testing to be available locally on the peninsula to help stem the spread of this virus.

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Additionally, it seeks authority to sole source the purchase of the platform from Roche Diagnostics Corporation which manufactures the cobas 6800 system. They are experiencing a large demand for this platform with many units back ordered. The sooner we can place this order the sooner we should receive the platform.

In review and discussion with CPH staff and the KPB Purchasing and Contracting Department regarding the cobis 6800 diagnostic unit it is apparent that this unit meets our testing needs. Other units on the market are intended for areas with much higher testing demands then what we would experience on the Kenai Peninsula. Smaller units on the market are drastically undersized for the needs and are not comparable to this platform. In discussion with CPH the cobis 6800 is the only unit on the market that meets this size and capacity for the testing needs of COVID-19.

The high capacity molecular testing platform has a preliminary estimated cost not to exceed for equipment only \$400,000, ongoing annual maintenance costs of \$45,000 with an initial expected delivery lead time of 4 to 6 months. The medical testing unit will drive some space needs along with electrical and air handling improvements. At this time, it is not clear what the details of those improvements are. KPB and CPH support service staff are actively working on bringing clarity to this scope. Those details will be brought forward as a supplemental appropriation request as soon as they are available.

It is also the intent of the Borough Administration to pursue additional grant opportunities through the CARES Act in pursuit of reimbursement for this need.

Your approval of this emergency ordinance would be appreciated.

FINANCE DEPARTMENT ACCOUNT / FUNDS VERIFIED	
Acct. No. _____	490.20602
Amount _____	\$400,000
By: _____	Date: 5/22/2020