

## **South Peninsula Hospital MRI**

### **MRI - purchase of new, up to date unit.**

**11/24/08** SPH SAB Res. 09-02 Authorizing use of \$400,000 towards Denali Commission grant as a match. (in event of award of grant) Denali Grant not awarded.

**3/20/2009** Email: from Robert Letson, detailing purchase of new MRI. re: \$875,000 SAB, \$400,000 SPH and \$500,000 loan so SPH owns MRI unit.

**4/22/09** SPH BOD Res. 09-25 Support of all of above. Better to make payments for self own than continue lease, same payments,...

**6/2/09** Ord. 2009-19-59 5 year Loan to SPH SAB for purchase of new MRI

**July, 2009** Let bid for new MRI unit

**July 2009** Bids opened. With agreement to hold the purchase at that price until housing constructed. Is there a timeline?

### **Capital Project, Housing construction for MRI unit**

**January 2009** Project Manager has \$75,000 set aside for design of MRI extension of building. These funds were, rolled back into the overall remodeling project. Project Manager estimated building cost at \$600,000 - \$700,000 at that time. .

**March 2009** Approval of dollar amounts for the OB and Surgery remodel, with dollars available because original remodel came in below estimates. Contractor issued a change order to proceed. Did not require Assembly action.

**3/16/2009** My email to Kevin Lyon, asking why contract for design not let yet. Noted lease expires July 1, 2009, every month delay costs taxpayers \$30,000.

**3/24/09** Mr. Lyon responds details to consultant, working to coordinate so not interfere with ongoing remodeling project.

Project Manager indicates will not request design for MRI until know which machine would be ordered. Then delayed further, to ensure architects could finish design of OB and Surgery remodel first. (Feared they would have to hire more staff and would cost the Borough more. That was a quote to me during my visit.)

**3/25/09** SPH – BOD Support of use of \$625,000 interest earnings for MRI Cap. Project

**3/28/09** email: To Kevin from me, with thanks for project manager review of all plans, including MRI, and asking why need for the seismic review.

**3/30/09** response from Mr. Cushing, explaining why need for that review.

**5/5/09** KPB Ord. 2008-19-51 appropriate \$625,000 interest earnings for cap improvement. (funds for Architect taken from this appropriation).

**October 2009** Plans received from Architect,

**Early November, 2009** Preliminary Estimate came in at \$1.2 million. Project Manager indicates only \$500,000 still available from the \$625,000 appropriation..

**November 2009 to February 2010**, work towards the MRI building addition appears to cease., until Hospital CEO requests estimate for a modular unit to house the MRI.

**February 11, 2010** Mayor Carey presents to the SAB reasons why a modular unit is not the way to proceed and said that value engineering should be applied to the permanent building design, as reflected in the SAB Minutes.

**April, 2010** Contractor asked for another estimate based on value engineering, as reflected in your (Borough Assembly )packet on Page 65 and 66, Memo dated June 24, 2010..

**7/6/10** KPB Ord. 2010-19-01 Appropriate \$450,000 for MRI building.

**7/6/10** KPB Res. 2010-061 Sole Source

The ongoing delays have been costly. There remains the questions, how long will the bid winner continue to hold the MRI at the price awarded a year ago? Financing is very tight. An increase now would hurt greatly. . It takes three months to build and deliver a MRI. So if the building had been ready 3 months after the MRI bid opening, it would now have been in operation for 9 months, putting \$270,000 towards paying off the loan. Instead, that amount has been paid for a lease to the company that owns the current outdated equipment. In my book, it is the faithful taxpayers are the losers here.

It is a terrible temptation to try to point fingers, but for what? Not worth it, not productive. I believe all involved have acted in the best interest possible. However, as Mr. Letson is painfully aware, financially, he needs the new unit, in its proper home, as soon as possible. Please, please do not allow further delays

I respectfully request a yes vote and your support for Ord. 2010-19-01 and Resolution 2010-061. If you review this material and can agree with me we need to move forward, please also leave Res. 2010-061 on the Consent Agenda this evening.

Thank you.

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