



KENAI PENINSULA BOROUGH

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**MIKE NAVARRE
BOROUGH MAYOR**

MEMORANDUM

TO: Gary Knopp, Assembly President
Kenai Peninsula Borough Assembly Members

THRU: Mike Navarre, Mayor *Mike Navarre*

FROM: Craig Chapman, Finance Director *C Chapman*

DATE: March 22, 2012

SUBJECT: Resolution 2012-⁰²³, authorizing South Peninsula Hospital to enter into a five-year operating lease to expand and upgrade its Pyxis Pharmacy system

South Peninsula Hospital currently uses a Pyxis medication dispensing machine in the emergency room, acute care and pharmacy. The hospital would like to expand this system to include surgery, anesthesia, OB and long term care. The hospital is requesting authorization to enter into a five-year operating lease with CareFusion, the makers of the Pyxis Pharmacy system, to upgrade its current system and expand it to include the new areas. The monthly lease payments would be \$4,380 paid for by funds generated from operations. This Pyxis system will greatly enhance patient medication safety and prevent lost revenue.

Per section 13e of the sublease and operating agreement, all lease agreements costing in excess of \$100,000 or for more than a one year period, must be approved by the borough assembly.

The South Peninsula Hospital Service Area Board at its March 8, 2012 meeting approved the lease to expand and upgrade the Pyxis Pharmacy system.