

**MEMORANDUM OF UNDERSTANDING
FOR THE HEALTH PROGRAM ACTIVITIES
BETWEEN
THE DENALI COMMISSION
AND
THE ALASKA NATIVE TRIBAL HEALTH CONSORTIUM**

May 2007

I. INTRODUCTION:

This Understanding is made between the Denali Commission, hereinafter referred to as the Commission, acting through the Federal Co-Chair, pursuant to the provisions of the Denali Commission Act of 1998, as amended, and the Alaska Native Tribal Health Consortium, hereinafter referred to as the Consortium, acting through the Chief Executive Officer, under and pursuant to the provisions of Public Law 93-638, as amended.

II. PURPOSE AND PREVIOUS MEMORANDUMS OF UNDERSTANDING:

This Memorandum of Understanding (MOU) defines the roles and responsibilities of each party with regard to the program management of sustainable health infrastructure within Alaska. This MOU shall be used for all health program Financial Assistance Awards (FAAs) granted in fiscal year 2007. For purposes of funding reallocations for years prior to this MOU, any reallocation of 2006 funds will be accomplished by modifying the terms of the 2007 MOU. Prior to 2006, the program management fees have already been paid. Project management fees will be negotiated in accordance with the terms of this MOU.

III. AGREEMENT:

A. PROGRAM AGREEMENT DOCUMENTATION:

As necessary, the Commission and the Consortium, together, may execute a (FAA). The FAA may be subsequently amended to: 1) change the amount of funds provided under the original FAA, or alter the original scope. Addenda may be issued to reallocate funds provided under the FAA (as amended). The FAA, or its amendments and addenda, will provide the details concerning the use of provided federal funds; specifically describing the scope, funding, timeline, and reporting requirements for funded projects. When unallocated funds are provided under an award, the Commission's Program Manager, will direct the subsequent allocation via an addendum (signed by the Program Manager) describing the funds to be allocated and the new balance of unallocated funds.

B. CONSORTIUM PROGRAM MANAGEMENT ROLES AND RESPONSIBILITIES:

1. The Consortium will participate on Commission committees and workgroups to assist in furthering health, sanitation and other related infrastructure programs.
2. The Consortium will review project scopes of work and conditions set forth in FAAs and immediately notify the Commission if a project cannot be accomplished, based upon funding, site conditions, or other factors. The Consortium will not prepare a Cooperative Project Agreement (CPA) with applicants it believes lacks the capacity to comply with requirements set forth in the FAA.
3. The Consortium will assist with Conceptual Planning as more fully described in paragraph III E 1.
4. As directed by the Commission on a project by project basis, the Consortium will review site plan checklists associated with the health facilities program. A project award will be issued if the Consortium is required to travel to the site or perform geotechnical analysis.
5. The Consortium will prepare financial reports, progress reports and closeout reports for the FAAs as more fully described in paragraph III H.
6. The Consortium will monitor financial expenditures and project progress and provide the reports as more fully described in paragraph III H and the FAA.
7. The Consortium will review and approve draw requests, maintain records of draw requests and distribute project funds.
8. The Consortium will distribute funds as directed by the Commission.
9. Upon project completion, the Consortium will monitor the warranty period (described further in this agreement). Upon completion of the warranty period, the Consortium will close the project file and maintain the award record for 3-years.
10. The Consortium will perform Environmental Reviews (ERs) on small clinic and washeteria projects managed by or passed through the Consortium not exceeding 12,000 SF in size. The Consortium utilizes the Indian Health Service (IHS) Environmental Review Manual, and IHS policy published in the Federal Register, Vol. 58, No. 3, January 6, 1993, pp. 569-572. This includes, but is not limited to: documentation of compliance with environmental/archeological laws and regulations; and the identification of various state/federal permit requirements. The Consortium will prepare ER documentation consistent with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) review procedures, as established for IHS environmental, design, and construction projects, and forward this documentation to the Commission for determination.

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11. The Consortium may provide consultation services to the Commission and its program applicants concerning the Environmental Analysis (EA) process, preparing Environmental Impact Statements (EIS), and formulating recommendations of Finding Of No Significant Impact (FONSI).
12. The Consortium will perform post award monitoring consisting of, a) directing the master record of project and financial data be maintained at the project management organization for 3-years, and b) provide external audit documents to the Commission pursuant to applicable Circulars.
13. The Consortium will stop project funding or progress to subrecipients that do not comply with the requirements or scope of work outlined in the CPA or the appropriate circulars outlined in the FAA.

C. CONSORTIUM PROJECT MANAGEMENT ROLES AND RESPONSIBILITIES:

1. It is anticipated that the Consortium will only be performing project management duties on projects that it directly manages. The Consortium is considered to be directly managing a project when it is responsible for the outcome of the project and it uses its own employees to carry out the work or contracts with and oversees a third party to carry out the project management responsibilities the Consortium would otherwise do. The following are applicable to projects the Consortium directly manages:
 - a. The Consortium or its contractor shall conduct pre-construction conferences with the original project applicants.
 - b. The Consortium or its contractor will provide day to day oversight of project activities, as appropriate.
 - c. For design projects, the Consortium or its contractor will conduct design reviews by civil, mechanical and electrical engineers, as appropriate.
 - d. The Consortium or its contractor will perform site visits to all construction projects. The Consortium or its contractor will participate in community meetings for design, conceptual design, and regional planning meetings.

D. COMMISSION ROLES AND RESPONSIBILITIES:

1. The Commission shall notify, in writing, each applicant approved in the conceptual planning project phase. This notification shall clearly identify the role of the Consortium in administering the [Commission's] sub-award agreement with the recipient. A copy of this letter shall be provided to the Consortium.
2. The Commission shall provide the Consortium with an NEPA/NHPA compliant Environmental Determination, based on information prepared by the Consortium.,
3. The Commission will provide current and relevant policies or regulations to the Consortium for incorporation by reference in CPAs.

E. THE PROJECT PROCESS:

1. The Commission and Consortium work together during Conceptual Planning to assist award applicants in developing their project scope and analyzing prospective sites for project construction. This allows all parties to reach agreement on project scope and management methodology, identify funding sources, and resolve issues or problems that could delay project performance and develop a project construction timeline.
2. For projects the Consortium is directly managing, it will prepare a cost estimate detailing the total project award amount. For construction projects, the Consortium's estimate will include the total dollar amount shown in the 100% construction cost estimate with applicable adjustments such as inflation, furniture, fixtures, and equipment (FFE), medical equipment and other items required for a complete project. For all projects, the Consortium's cost estimate will include a detailed project management budget for the activities more fully described in paragraph III C. Working with the Commission, the Consortium's cost estimate will identify the matching fund sources and amounts. The Commission and Consortium will work together to reach agreement on the project management budget and that the cost estimate is reasonable and all applicable costs are included. This document will provide the basis for the Commission's FAA.
3. The Commission will prepare a FAA, amendment, or addenda for approved projects. With prior approval from the Commission, the Commission shall allow costs incurred on projects prior to the award formulation, to the extent that costs would otherwise be eligible, to be reimbursed once the award is executed and project funds made available.
4. The Consortium, upon acceptance of a FAA (or amendment/addendum to a FAA), will enter into a CPA with each successful project applicant. This agreement will:
 - a. Describe the project scope, budget, and funding sources, and reportable milestones,
 - b. Contain the IHS NEPA/NHPA compliance review (until the Commission has a compliance process in place),
 - c. Designate responsibility for project and financial management,
 - d. Require compliance with applicable state regulatory codes,
 - e. Require compliance with the Consortium's post-award grants monitoring procedures
 - f. Require compliance with the Commission's FAA requirements
5. During project execution, the Consortium will monitor financial expenditures and project progress on a quarterly basis.
6. Upon project completion, the Consortium will monitor the warranty period (described further in this agreement). Upon completion of the warranty period, the Consortium will close the project file and maintain the award record for 3-years.

F. CONSORTIUM SERVICES & FEES:

1. The Commission will apply the rates illustrated in Table 1 to the FY07 FAA with the Consortium. These rates are estimates only. Quarterly, the Consortium will reconcile actual costs associated with the performance of the FAA.
2. The Consortium will inform the Commission at the earliest possible date of any unanticipated project cost overrun, including program management and project management fees, project schedule delays, changes in the project scope, or changed site conditions. This will allow both Consortium and the Commission to cooperatively resolve the problem and successfully complete the scope of work identified in the FAA. Any increase of funding to the FAA is based on availability of funding and Commission approval. The Consortium will not provide services beyond the available funding.
3. Upon completion of the project a final reconciliation of actual costs will occur. Remaining project funds will be immediately reported to the Commission.
4. Annually, Commission and Consortium representatives will review completed project costs to validate the rates reflected in Table 1.

<i>Consortium Services</i>	<i>Budgeted Expense</i>	<i>Basis of Budget</i>
Program Management Services as more fully described in Paragraph III B.	\$688,000 for FY07 FAA	\$22.2 million award in FY07 FAA. 2 FTEs ¹ per year for 3 years which is understood to be the award period of the projects funded with FY07 funding.
Project Management Services as more fully described in Paragraph III C	Negotiated	See Paragraph III E 2. Consortium's cost estimate. Not anticipated to exceed 15% of the total cost estimate.

Table 1. Consortium Services & Fees

G. WARRANTY AND BENEFICIAL USE:

1. The Consortium shall monitor a warranty program covering all project work for one year after user occupancy of the facility.
2. The Consortium shall manage a warranty program for work performed by the Consortium. At the conclusion of the warranty period, the Consortium shall perform a final inspection to assure all warranty items have been resolved.
3. Warranty work for pass-through awards is the responsibility of the "pass through" recipient overseeing project performance.

¹ FTEs include Health Facilities Manager, Denali Commission Coordinator, Engineers, Management Info Specialist, Environmental Coordinator, Technical Writer, Accountant, Project Contracting Advisor and Admin Assistants.

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4. Funds to provide warranty service will be included in the construction cost estimate and disbursed only for repairs validated by the project engineer as qualifying for warranty service. A warranty clause shall be included in all competitive bid projects and will be executed under the formal contract.
5. Unexpended funds remaining at the end of the warranty period shall be immediately reported to the Commission for reallocation to other projects.

H. REPORTING:

1. Financial reporting encompasses project specific financial reporting via the Commission web based project reporting system and FAA specific financial reporting via the Standard Form 270.
2. Financial reporting is typically quarterly, unless modified by the Commission's program manager and articulated to the Consortium at least 14 days prior to the modified deadline. Reports will be provided within 30-days following the end of the quarter.
3. Progress reporting is typically quarterly (unless modified by the Commission's program manager) utilizing the Commission's web-based project reporting system. The Consortium will provide the following data for progress reports, 1) project narrative, including completion of Commission milestones, 2) project funding and expenditures, 3) project photos (if applicable), 4) a copy of the signed CPAs (as amended) if not previously posted, and 5) a statement on project progress.
4. The Commission will establish the base data record for all projects being reported through the web-based report system.
5. The Commission will identify, from the successful grant applicant, the source and amount of funds being provided to the project, so this information can be added to the base data record.
6. The Commission will obtain the Consortium's and project applicants single audit report through the federal clearinghouse.
7. Both parties to this agreement will cooperate to ensure this reporting is accomplished through interface of their respective automated reporting systems.

IV. DURATION OF AGREEMENT:

This Agreement shall continue in force until such time that the Consortium or the Commission provides written notice of termination - one hundred and twenty days (120) in advance of termination date.

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V. DISPUTE RESOLUTION:

Should disagreement arise on the interpretation of the provisions of this MOU, or as amended, that cannot be resolved; the area(s) of disagreement shall be stated in writing by each party and presented to the other party for consideration. If agreement on interpretation cannot be reached within thirty days from exchange of the written interpretation(s), the parties shall then move toward mediation and arbitration with a neutral third party.

VI. SIGNATURES:

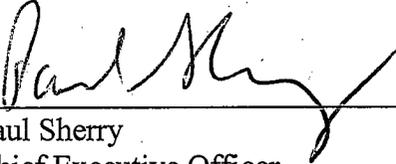
IN THE WITNESS WHEREOF, the parties have subscribed their names,

5/8/07
Date



George J. Canelos
Federal Co-Chair
Denali Commission

5/8/07
Date



Paul Sherry
Chief Executive Officer
Alaska Native Tribal Health Consortium