Grant Agreement
State of Alaska Department of Health & Social Services (DHSS)
Denali Commission Funds
Federal Fiscal Year 2004

Funding Source(s): FY2004 Federal	**Grant #:** 06-4-C-4899	**Period of Performance:** July 1, 2004
	Award Amount: $264,400	**Location of Project:** Cordova, Alaska

GRANTEE	DEPARTMENT
Cordova Community Medical Center P.O. Box 160 Cordova, Alaska 99507	Department of Health and Social Services Administrative Services/Facilities Section PO Box 110650 Juneau, Alaska 99811-0650
Contact Person: William McKinnon, Telephone: (907)424-8222	DHSS Contact Persons: Barbara Ollila or Arnold Liebelt Telephone: (907) 465-3037

Grant Award:
Whereas, the Department of Health and Social Services, hereafter referred to as the GRANTOR, has awarded $264,400 from the grant funds appropriated through the Denali Commission in FY04, as described in RPL 06-4-0059 to Cordova Community Medical Center, hereafter referred to as GRANTEE, for the purchase of medical equipment.

Brief Description of Project:
The Project consists of the purchase of medical equipment, and is located in Cordova Community Medical Center. This Project is in accordance with this grant agreement and the provisions of proposal documentation submitted to the GRANTOR and the Denali Commission. A copy of the proposal is attached. All documents named here are hereby incorporated by reference as part of this grant agreement.

GRANTEE	DEPARTMENT OF HEALTH AND SOCIAL SERVICES
Authorized Signature: William D. McKinnon Date: 10/24/03	Authorized Signature: Pauline N Strong for Date: 11-4-03
Print Name and Title: William D. McKinnon CEO / Administrator	Print Name and Title: Larry J. Streuber Facilities and Planning Section Chief Division of Administrative Services
	Authorized Signature: Janet Clarke Date: 11/4/03
	Print Name and Title: Janet Clarke, Director Division of Administrative Services

ATTACHMENT A

STANDARD PROVISIONS

ARTICLE 1. DEFINITIONS

"Grantor" means the Alaska Department of Health and Social Services.
"Grantee" means Cordova Community Medical Center.
"State" means the State of Alaska.

ARTICLE 2. GRANTEE STATUS

GRANTEE and any agents, employees or officers of GRANTEE act in an independent capacity and are not employees or agents of the GRANTOR or the State in the performance of this Grant Agreement. No joint venture or partnership is formed as a result of this Grant Agreement. This Grant Agreement is solely for the benefit of the parties to the Grant Agreement and gives no right to any other party.

ARTICLE 3. INDEMNIFICATION

The GRANTEE shall indemnify, hold harmless and defend the GRANTOR and the State, their officers, agents, and employees from all liability, including costs and expenses, for all actions or claims resulting from injuries or damages sustained by any person or property arising directly or indirectly as a result of any error, omission, or negligent act of the GRANTEE, its contractors, or anyone directly or indirectly employed by GRANTEE in the performance of this Agreement.

All actions or claims, including costs and expenses, resulting from injuries or damage sustained by any person or property arising directly or indirectly from GRANTEE's performance under this Agreement which are caused by the GRANTOR, or the State, and the GRANTEE shall be apportioned on a comparative-fault bases. Any such joint negligence on the part of the GRANTOR or the State must be a direct result of active involvement by the GRANTOR or the State.

ARTICLE 4. LEGAL AUTHORITY

The GRANTEE certifies that it possesses legal authority to accept grant funds from the GRANTOR and to execute the activities described in this Grant Agreement.

ARTICLE 5. WAIVER

No provision of this Grant Agreement may be waived unless agreed to in advance by the GRANTOR in writing. The GRANTOR's failure to insist upon strict performance of any provision of the Grant Agreement, or to exercise any right based upon a breach thereof, or the acceptance of any performance during such a breach, shall not constitute a waiver of any right under this Grant Agreement.

ARTICLE 6. RECORDS

All records related to this Agreement, including but not limited to documents, books, photographs, inspection reports, computerized data files, and other papers of whatever kind or description (hereinafter called "records") whether or not developed or originated by GRANTEE, which are reasonably required in the performance of, or to document the performance of this Agreement, are the sole property of the GRANTOR. GRANTEE, upon the GRANTOR's' written request, shall deliver immediately all records to the GRANTOR or as the GRANTOR otherwise dictates in writing. The delivery of records to the GRANTOR shall be at the GRANTEE's expense. GRANTEE may not condition in any manner whatsoever the delivery of records. Any records that GRANTEE has retained on microfilm or otherwise condensed, GRANTEE must reproduce promptly, at no cost, upon the GRANTOR's written request.

GRANTEE shall permit any employee of the GRANTOR or any person designated by the GRANTOR, at any reasonable time during regular business hours, to examine and make audits of any and all of the records. Such persons will safeguard the confidentiality of all client records, and will not disclose financial, clinical or other personal client data to the public, or to others within the GRANTOR except as on a documented need to know basis. Such persons may, at the request of the GRANTEE, sign an affidavit to this effect.

Unless all records have been delivered to the GRANTOR, the GRANTEE shall retain all records in its possession relating to the performance of this Grant Agreement for a period of three years from the completion of the project or until final resolution of any audit findings, claims, or litigation related to the grant, whichever is later.

ARTICLE 7. REPORTS

The GRANTEE shall furnish the GRANTOR with such periodic reports as it may request on such forms and at such times as it may require. Such periodic reports shall pertain to the activities undertaken pursuant to this Grant Agreement, including the final closeout report, the costs and obligations incurred in connection therewith, and any other matters covered by this Grant Agreement.

ARTICLE 8. ASSIGNABILITY

The GRANTEE may not assign or delegate this Grant Agreement or any part of it, or any right to any compensation or reimbursement paid under it without the express written consent of the GRANTOR.

ARTICLE 9. FINANCIAL MANAGEMENT AND ACCOUNTING

The GRANTEE shall spend monies awarded under this grant only for the purposes specified in this Grant Agreement. The GRANTEE shall establish and maintain a financial management and accounting system that conforms to generally accepted accounting principles and complies with applicable state and federal requirements. GRANTEE shall keep such other records as the GRANTOR may require. Such records shall include information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays and income. Te GRANTEE shall also maintain records pertaining to project performance and efforts to comply with the provisions of the Grant Agreement. Spelling

The GRANTEE shall comply with the audit requirements established by 02 AAC 45.010. The Grantee agrees to be immediately subject to the audit requirements set forth in Attachment D. The GRANTEE shall provide the GRANTOR with a copy of any audit report(s) conducted of the GRANTEE's administration of these grant funds. An audit report, provided in accordance with this Article, will be submitted to the GRANTOR within 30 days of its receipt by the GRANTEE.

The GRANTEE shall maintain appropriate systems, procedures and documentation to assure its compliance with respect to sub-recipient audits, as specified above. The GRANTEE will take appropriate action to assure that any sub-recipient audits required are completed.

The GRANTEE shall repay to the GRANTOR any costs pertaining to this grant determined not to be allowable as a result of the resolution of any findings or questioned costs identified in the audits required by this Article. Upon demand,

the GRANTEE shall repay to the GRANTOR any disallowed costs related to a sub-grant of funds under this agreement resulting from the resolution of any sub-recipient audit findings. Recovery of funds from the GRANTEE shall occur within thirty (30) days of demand. Failure of the GRANTEE to repay any disallowed amounts is a breach of this grant agreement and may result in action taken by the GRANTOR as provided for under Article 18 (Noncompliance by GRANTEE).

ARTICLE 10. AMENDMENTS AND MODIFICATIONS

This Agreement, including all attachments and documents which by reference are incorporated herein, contains the entire Agreement between the GRANTOR and the GRANTEE. This Agreement may not be modified or amended except in writing signed by both parties and any purported amendment or modification shall be without legal effect until reduced to writing and signed by both parties.

ARTICLE 11. THIRD-PARTY RELATIONSHIPS

None of the work specified in the Grant Agreement may be contracted by the GRANTEE to a third party without the prior approval of the GRANTOR. GRANTOR's approval of GRANTEE's contracting shall not create any contractual relationship between the GRANTOR and the third party. The GRANTEE shall remain fully obligated under the provisions of this Grant Agreement notwithstanding its contracting to any third party the performance of all or any part of the work described herein.

In the event that the GRANTEE contracts for third party services, the GRANTEE will require that the third party certify that it is authorized to do business in the State of Alaska and that it has obtained the necessary bonding in an amount approved by the GRANTOR or required by applicable federal regulations.

The GRANTEE shall bind all third party contractors to each and every applicable Grant Agreement provision. Each contract with third parties for work to be performed under this Grant Agreement shall specifically include a provision indemnifying the GRANTOR against damages or claims for damages arising from the third-party's performance or activities under its contract with GRANTEE.

ARTICLE 12. CONFLICT OF INTEREST

No officer or employee of the GRANTOR; no member, officer, or employee of the GRANTEE or its designees or agents; no member of the governing body of

the jurisdiction in which the project is undertaken or located; and no other official of such locality or localities who exercises any functions or responsibilities with respect to the project during his or her tenure, shall have any personal or pecuniary gain or interest, direct or indirect, in any contract, subcontract, or the proceeds thereof, for work to be performed in connection with the activities assisted under this Grant Agreement.

The GRANTEE shall incorporate, or cause to incorporate, in all such contracts or subcontracts, a provision prohibiting such interest pursuant to the purpose of this provision.

ARTICLE 13. POLITICAL ACTIVITY

No portion of the funds provided hereinunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office or to influence the approval or defeat of any ballot issue or to lobby any State agency or member or employee of the legislature.

This grant is subject to the provisions of AS 37.05.321 which is titled: "Restrictions of Use." A grant or earnings from a grant made under AS 37.05.315—37.05.317 may not be used for the purpose of influencing legislative action. In this section influencing legislative action means promoting, advocating, supporting, modifying, opposing, or delaying or seeking to do the same with respect to the legislative action but does not include the provision of information, statistics, studies or analyses in written or oral form or format. A grant or earnings from a grant made under AS 37.05.315—37.05.317 may not be used for purposes of travel in connection with influencing legislative action unless pursuant to a specific request from a legislator or legislative committee. No interest will be accrued on these funds.

GRANTEE shall incorporate in all contracts with third parties, a provision prohibiting such expenditure of funds and shall require certification by such parties of compliance with such provision.

ARTICLE 14. NOTICES

The GRANTEE shall comply with all public notices or notices to individuals required by applicable State and Federal laws and shall maintain a record of this compliance.

ARTICLE 15. PROHIBITION AGAINST PAYMENT OF BONUS OR COMMISSION

The assistance provided under this Grant Agreement shall not be used in payment of any bonus or commission for the purpose of obtaining approval or concurrence under this Agreement provided, however, that reasonable fees of a bona fide technical consultant, managerial, or other such services, other than actual solicitation, are not hereby prohibited if otherwise eligible as project costs.

ARTICLE 16. TERMINATION BY MUTUAL AGREEMENT

This Grant Agreement may be terminated, in whole or in part, at any time that both parties agree in writing that continuation of the agreement is not feasible or would produce beneficial results commensurate with the further expenditure of funds. The termination shall not be valid unless both parties agree in writing, in advance, regarding all conditions of termination.

The GRANTEE shall not incur new obligations for the terminated portion after the effective date, and shall cancel as many outstanding obligations as possible. The GRANTOR shall make funds available to the GRANTEE to pay for allowable expenses incurred before the effective date of termination.

ARTICLE 17. TERMINATION BY GRANTORS

The GRANTOR may terminate this Agreement for any reason upon 30 days written notice to GRANTEE.

Upon receipt of notice of termination, GRANTEE shall not incur new obligations and shall cancel as many outstanding obligations as possible. The GRANTOR shall make funds available to the GRANTEE to pay for allowable expenses incurred before the effective date of termination.

ARTICLE 18. NONCOMPLIANCE BY GRANTEE

If the GRANTOR determines that the GRANTEE has failed to comply with the terms of this Grant Agreement, or failed to use the grant for only those purposes set forth herein, the GRANTOR may, in their complete discretion, take any of the following actions:

A. **Probation** - If the GRANTOR determines the noncompliance to be of a minor nature and that the GRANTEE's work can be improved or corrected, the GRANTEE may be placed on probation. The GRANTOR will notify GRANTEE in writing by certified mail of the reason for the probation, the corrective action required for removal from probation

status, and the time by which such corrective action must be taken. GRANTEE will continue on probation until its performance is in compliance with the terms of the Agreement. If GRANTEE does not correct its noncompliance, the GRANTOR may suspend GRANT or terminate the Agreement.

B. **Suspension** - After written notice to the GRANTEE sent by certified mail, the GRANTOR may suspend the grant and withhold any further payment or prohibit the GRANTEE from incurring additional obligations of grant funds, pending corrective action by the GRANTEE or a decision to terminate. Such written notice shall state the reason for the suspension, the effective date of the suspension and the necessary corrective action. Response by the GRANTEE to this notice must be received by the GRANTOR within fifteen (15) days of receipt of the written notice.

C. **Termination**—The GRANTOR may terminate the grant, in whole or in part, at any time before the final grant payment is made. The GRANTOR shall promptly notify the GRANTEE in writing by certified mail of its determination to terminate, the reason for such termination, and the effective date of the termination. Payments made to the GRANTEE or recoveries by the GRANTOR shall be in accordance with the legal rights and liabilities of the parties.

ARTICLE 19. WITHDRAWAL OR REDUCTION OF FUNDING

In the event funding from State, Federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Grant Agreement and prior to normal completion, the GRANTOR may terminate the Agreement, reduce funding, or, re-negotiate subject to those new funding limitations and conditions. A termination under this Article shall be implemented pursuant to the same conditions as a termination under Article 17 (Termination by the GRANTOR) of this Attachment.

ARTICLE 20. RECOVERY OF FUNDS

In the event of a default or violation of the terms of the Grant Agreement by the GRANTEE, the GRANTOR may institute actions to recover all or part of the project funds paid to the GRANTEE. Repayment by the GRANTEE of grant funds under this recovery provision shall occur within thirty (30) days of demand.

All remedies conferred on the GRANTOR by this Agreement, State law or any other instrument or Agreement are cumulative, not exclusive, and may be

exercised concurrently or consecutively at the GRANTOR's option.

ARTICLE 21. DISPUTES

Any dispute arising under this Agreement that is not disposed of by mutual consent shall be decided in accordance with regulations adopted by the GRANTOR for contract disputes or controversies.

ARTICLE 22. INSURANCE

Without limiting GRANTEE's indemnification, it is agreed that the GRANTEE shall purchase at its own expense and maintain in force at all times during the performance of services under this Agreement the following policies of insurance. Insurance policies required to be maintained by GRANTEE shall name the GRANTOR, and the State of Alaska as additional insureds, for all coverage except Worker's Compensation and Professional Liability Insurance. GRANTEE and its contractors agree to obtain a waiver, where applicable, of all subrogation rights against the GRANTOR, its officers, officials employees and volunteers for losses arising from work performed by the GRANTEE and its contractors for the GRANTORS. Where specific limits are shown, it is understood that they will be the minimum acceptable limits. If the GRANTEE's policy contains higher limits, the GRANTOR and the State will be entitled to coverage to the extent of such higher limits. Certificates of Insurance stating the insurance company, type of coverage, limits, effective date, expiration date, additional insured, and waiver of subrogation must be furnished to the GRANTOR prior to execution of this agreement by the GRANTOR and must provide for a thirty (30) day prior notice of cancellation, non-renewal or material change. Failure to furnish satisfactory evidence of insurance or lapse of the policy is a material breach and ground for termination of the grant pursuant to Article 17 (Termination by the GRANTOR) of this Attachment.

A. **Workers' Compensation Insurance:** The GRANTEE shall provide and maintain, for all employees of the GRANTEE engaged in work under the Agreement, Workers' Compensation Insurance as required by AS 23.30.045. The GRANTEE shall be responsible for ensuring that any contractor who directly or indirectly provides services under this Agreement has adequate Workers' Compensation Insurance for its employees. This coverage must include statutory coverage for States in which employees are engaging in work and employer's liability protection for not less than $100,000 per occurrence. Where applicable, coverage for all federal acts (i.e., USL & H and Jones Acts) must also be included.

B. **Comprehensive (Commercial) General Liability Insurance:** The GRANTEE shall provide and maintain Comprehensive (Commercial) General Liability Insurance with coverage limits not less than $1,000,000 combined single limit per occurrence and annual aggregates where generally applicable and shall include premises-operations, products/completed operations, broad form property damage, blanket contractual and personal injury endorsements.

C. **Comprehensive Automobile Liability Insurance:** The GRANTEE shall provide and maintain Comprehensive Automobile Liability Insurance covering all owned, hired, and non-owned vehicles with coverage limits not less than $100,000 per person/$500,000 per occurrence bodily injury and $50,000 property damage, or $500,000 combined single limit per accident.

D. **Professional Liability Insurance:** If applicable, the GRANTEE shall provide and maintain Professional Liability Insurance covering all errors, omissions or negligent acts of the GRANTEE, its contractors or anyone directly or indirectly employed by them, made in the performance of this Agreement which result in financial loss to the State. Limits required are per the following schedule:

Grant Amount	Minimum Required Limits
Under $100,000	$100,000 per occurrence/annual aggregate
$100,000 - $499,999	$250,000 per occurrence/annual aggregate
$500,000 - $999,999	$500,000 per occurrence/annual aggregate
$1,000,000 or over	Negotiable - Refer to GRANTORS Risk Management

The professional liability insurance requirement may be substituted or waived at the sole discretion of the GRANTOR.

E. **Bond Requirements:** Before the GRANTEE enters into a contractual arrangement with a contractor to provide any tasks in connection with this agreement, the GRANTEE shall require the Contractor to comply, at a minimum, with the bond provisions specified in AS 36.25.010 (a) and (b), and Article 3 (Indemnification).

ARTICLE 23. GOVERNING LAW

This Grant Agreement is made and entered into in the State of Alaska and shall be governed by the laws of the State of Alaska and any Federal laws and regulations

pertaining to this grant program. Any action involving this Agreement will be brought in the courts of the State of Alaska, First Judicial District, Cordova, Alaska.

ARTICLE 24. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

The GRANTEE shall perform its work in compliance with all appropriate laws and regulations including the Americans with Disabilities Act of 1990. It is the responsibility of the GRANTEE to ensure that any required Federal, State or local permits are obtained. GRANTEE shall also provide a copy of a current Alaska Business License.

ARTICLE 25. BUDGET FLEXIBILITY

Notwithstanding the provisions of Article 10 (Amendments and Modifications) of this Agreement, the GRANTEE may revise the project budget in Attachment C without a formal amendment to this Agreement. Revisions that increase a line item by 15% or $25,000, whichever is less require prior approval by the GRANTOR (7AAC 78.260). Such budget revisions shall be limited to changes to existing budget line items. GRANTEE shall notify GRANTOR of revisions prior to next payment request. Budget revisions may not be used to increase any budget item for project administrative expenses.

Changes to the budget beyond the limits authorized by this provision may only be made by a formal amendment to this Agreement.

ARTICLE 26. EQUAL EMPLOYMENT OPPORTUNITY (EEO)

The GRANTEE may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, physical handicap, sex, marital status, changes in martial status, pregnancy or parenthood. The GRANTEE shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.

The GRANTEE shall state, in all solicitations or advertisements for employees to work on State funded projects, that it is an equal opportunity employer and that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood, as set forth in Attachment E.

The GRANTEE shall include the provision of this EEO Article in every contract relating to this Grant Agreement and shall require the inclusion of these

provisions in every Agreement entered into by any of its contractors, so that those provisions will be binding upon each contractor and subcontractor.

ARTICLE 27. PUBLIC PURPOSES

The GRANTEE agrees that the benefits of the project activities to which this Grant Agreement relates shall be made available without regard to race, religion, color, national origin, age, physical handicap, sex, marital status, changes in marital status, pregnancy or parenthood.

ARTICLE 28. SEVERABILITY

If any provision under this Grant Agreement or its application to any person or circumstance is held invalid by any court of rightful jurisdiction, this invalidity does not affect other provisions of the Agreement which can be given effect without the invalid provision.

ARTICLE 29. CLOSE-OUT

The GRANTOR will advise the GRANTEE to initiate close-out procedures when the GRANTOR determines, in consultation with the GRANTEE, that there are no impediments to close-out and that the following criteria have been met or soon will be met:

A. All costs to be paid with grant funds have been incurred with the exception of closeout costs and any unsettled third-party claims against the GRANTEE. Costs are incurred when goods and services are received or contract work is performed.

B. The last required performance report has been submitted. The GRANTEE's failure to submit a report will not preclude the GRANTOR from effecting closeout if it is deemed to be in the GRANTOR's interest. Any excess grant amount that may be in the GRANTEE's possession shall be returned by the GRANTEE in the event of the GRANTEE's failure to furnish or update the report.

C. Other responsibilities of the GRANTEE under this Grant Agreement and any closeout Agreement and applicable laws and regulations appear to have been carried out satisfactorily or there is no further GRANTOR interest in keeping the grant open for the purpose of securing performance.

ATTACHMENT B

SCOPE OF WORK

ARTICLE 1. PURPOSE

The purpose of this grant is to provide funds to the GRANTEE for the following project: Cordova Community Medical Center Equipment project. Grant funds may only be used for eligible project activities identified below and in accordance with the costs identified in Attachment C of this grant agreement, or as otherwise approved in writing by the GRANTOR.

As identified by the GRANTEE in the grant proposal, various items of major medical equipment are proposed to be funded as part of this grant agreement:

Attachment C to this grant agreement provides a budget for the medical equipment.

ARTICLE 2. PROJECT DESCRIPTION

Grant funds provided as part of this grant award are intended to fund the development activities indicated in Article 1 (Purpose) associated with the purchase of various items of major medical equipment as listed in the GRANTEE's proposal and included in this grant agreement.

The project is to be located in the Cordova Community Medical Center, and is commonly referred to as:

602 Chase Avenue
Cordova, Alaska 99574

ARTICLE 3. TASKS REQUIRED PRIOR TO FIRST DISBURSEMENT (WORK PLAN)

The GRANTEE shall provide a work plan to the GRANTOR for approval prior to disbursement of any grant funds. The work plan shall contain the following:

A. A detailed projected budget (total development costs) by line item showing the proposed use of all funds used in the project including the required minimum 50% of project cost share match from sources other than the grants provided through this program.

B. A proposed budget for the use of the funds provided through this grant agreement.

C. Written description of the work to be completed with these grant funds;

D. A project schedule, which may be amended from that submitted as part of the grant proposal, proposed for the completion of the project.

ARTICLE 4. PROJECT START-UP AND COMPLETION TIME FRAMES

A. Site Control. When applicable, the GRANTEE shall acquire the legal right to occupy and use the subject property for the purposes of this grant, and further assure that there is legal access to such property prior to the first disbursement of funds under this grant.

In the event grant funds are to be utilized for the purchase or acquisition of the subject property, on option to purchase or an earnest money agreement will satisfy the requirement for site control for the purpose of disbursement of funds for the purchase or acquisition of the property.

B. Project Start-Up. If the Scope of Work includes renovation or new construction activities, the renovation or new construction activities shall begin within six (6) months of the date in which this Agreement is executed by the GRANTOR

C. Project Completion. The Project shall be 100% complete no later than July 1, 2004.

Project completion for this purpose shall be defined as the issuance of:

(1) For projects involving renovation activities a final unconditional Certificate of Occupancy issued by the appropriate municipal, city, or borough authority, or, if in an area where a Certificate of Occupancy is not issued, a copy of a final inspection report completed by the project architect.

In the event that the scope of work was such that a project architect was not employed in the project's development, the GRANTEE shall provide a written certification, signed by the Project Manager and GRANTEE's Executive Director which certifies that all rehabilitation activities were completed in accordance with the original scope of work proposed, or amendments approved by the GRANTOR, and that the Project is 100% complete;

(2) A satisfactory final inspection by the GRANTOR, or its designee, which evidences that the project has been 100% completed in accordance with the GRANTEE's proposal, and Scope of Work

proposed in this grant agreement.

(3) Final draw down disbursement for the project

ARTICLE 5. REPORT REQUIREMENTS

The GRANTEE shall establish and maintain a record of all financial transactions associated with the development activities.

The use of grant funds in any manner contrary to the terms and conditions of this Agreement may result in the subsequent revocation of the grant and any balance of funds under the grant. In addition, the GRANTEE may be required to return any, or all, grant funds provided to the GRANTEE by the GRANTOR.

In addition to any reports and data required by other parts of this Grant Agreement, the GRANTEE shall submit the following reports to GRANTOR:

A. **Quarterly Project Reporting.** Within 15 days of the close of the first full calendar quarter following execution of this agreement and at quarterly intervals thereafter, reports must be forwarded to the Department of Health and Social Services on forms provided by the GRANTOR.

Quarterly project reporting shall include both a narrative (Form 642, Attachment F) and financial summary (Forms 641A and 641B, Attachment G). The narrative summary shall include a summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems. The project financial status report shall show the following:

1. The total project budget
2. The project schedule with milestone dates for design and construction
3. The total amount of Denali Commission funds committed to the project
4. The total project expenditures as of the end of the most recent quarter
5. The total expenditure of Denali Commission funds for the project as of the end of the most recent quarter
6. The percentage of expenditures to the total budget; and
7. A project performance analysis on project line items, as defined by the GRANTOR or sub-award recipient, showing budget costs compared to actual expenditures and obligation to date versus work performed to date (for each line item).

Photographic documentation of project progress shall be provided with the quarterly reports for active construction projects. The photo documentation

shall include a minimum of five, dated photos per quarter such that a complete record of the construction is maintained over time, from "before," showing the situation before the start of construction, to "during" showing work proceeding on the project, and "after" to show the finished project. For minor repair and operations and maintenance projects, photos should be provided of before and after to the extent possible. Photos may be provided as photo quality, 3x5 prints with negative for each picture, and/or print quality electronic photos (digital images). A shot description of the activity and names of those in the photos shall also be provided.

B. Annual Project Reporting. A Labor Type, Residence, and Wage Report (Form 640, Attachment H) shall be submitted to the GRANTOR by November 1st of each year. A Labor Type, Residence, and Wage Report must include the following information by construction project for any person employed on the construction of that project: position, place of primary residence, first check date, last check date, rate of pay per hour, and payroll earnings from the inception of the project to date. Personal or confidential information such as Social Security numbers, names of individuals, or other information that would identify an individual should not be included in this report.

C. Award Closeout. The Award Closeout must be completed within 60 days of the end of the Award performance period, or within 60 days of the completion of the project, whichever is earlier. The project closeout process includes the submission of both a final narrative report and financial status report. The GRANTEE must also request any remaining funds for expenditures under this award during this 60-day period. Please refer to the GRANTOR for guidance on additional project closeout details.

1. For all construction projects, the Award recipient shall include an acknowledgement of the Government's support for the project(s) developed under this Award. The Award recipient shall display a sign that:

   - Has the Denali Commission logo displayed on the upper right-hand quadrant;
   - States the following: "This project was financed by the Denali Commission and its partners (*list the name of the funding partners*)",
   - Shows the logo of each partner in the lower right-hand quadrant.

   The cost of this sign shall be paid out of the project funding received by the Award recipient from the Denali Commission. Final approval of signage material and placement of sign must be obtained from the Commission Project Manger.

2. For all non-construction projects, the Award recipient shall include and acknowledgement of the Government's support for the project(s)

developed under this Award. Acknowledgement shall include:

- The Denali Commission logo and the logo of each partner;
- The following statement: "This project was financed by the Denali Commission and its partners (*list the name of the funding partners*)".

The format for acknowledgement of the Government's support for non-construction awards will vary with each award and must be agreed upon between the Award recipient and the Denali Commission Project Manger. Costs associated with this requirement shall be paid out of the project funding received by the Award recipient from the Denali Commission.

ARTICLE 6. PERMITS AND INSPECTIONS

The GRANTEE shall be responsible for obtaining the necessary permits, inspections and written reports during construction or renovation of subject property. The GRANTOR reserve the right to review the adequacy of the inspection reports provided by the GRANTEE and to monitor all activities undertaken by this grant. The GRANTOR will notify the GRANTEE of any inadequacies which are detected during the GRANTOR's review of the inspection reports or during the monitoring visit. The GRANTEE will have the responsibility to make any necessary corrections to resolve any findings.

ARTICLE 7. FAILURE TO COMPLETE THE PROJECT

Failure to complete the project in accordance with this Grant Agreement or to show evidence of completion may result in, at the GRANTOR's discretion, the GRANTOR's filing a lien on the project and/or obtaining title to the property to protect the GRANTOR's interest, or the GRANTOR withholding the balance of the grant amount.

ARTICLE 8. OPERATION, MAINTENANCE AND SECURITY OF PROJECT

The GRANTOR shall not be responsible for the operation, maintenance and/or security of the project during or after its completion.

ATTACHMENT C

FINANCIAL PROVISIONS

ARTICLE 1. TOTAL GRANT AMOUNT

In full consideration of the GRANTEE's satisfactory performance of the tasks stated in Attachment C, and in accordance with other conditions of this grant agreement, the GRANTOR shall pay the GRANTEE a sum not to exceed two hundred, sixty four thousand, four hundred dollars ($264,400) based on the schedule identified below in Article 3 (Budget Schedule).

ARTICLE 2. TASKS REQUIRED PRIOR TO INITIAL DISBURSEMENTS

Prior to any payments being made under this Agreement, the GRANTEE shall provide the following:

A. Evidence of all applicable licenses, including a current business license;

B. Bonding and insurance requirements as specified in Attachment A, Article 22 (Insurance);

C. A Work Plan as specified in Attachment B, Article 3 (Tasks Required Prior to First Disbursement);

D. Evidence of the commitment (approval) of at least 50% cost share match of project cost from a source or sources besides the grant provided in this agreement.

ARTICLE 3. BUDGET SCHEDULE

The GRANTEE shall use grant funds only with direct costs associated with eligible budget categories as identified in the approved work plan based on Attachment B, Article 1 (Purpose and Special Conditions). The budgeted costs associated with the work items to be completed with grant funds, as identified in the approved work plan, are as follows:

Work Activity	DHSS Grant	Other	Total
Major Medical Equipment	$264,400	-0-	$264,400
Total:	$264,400	-0-	$264,400

The GRANTOR shall not be obligated to disburse grant funds in excess of the Budgeted Cost for each activity identified above. Grant funds which are not needed to satisfy obligations associated with an above identified budgeted activity may be used to pay for the cost associated with other above identified activities, or for other eligible activities, as approved in writing by the GRANTOR.

ARTICLE 4. PAYMENTS

Payment requests should be sent to the attention of the Department of Health and Social Services Program Administrator identified in the Grant Agreement, utilizing the Request For Advance Or Reimbursement (Federal SF270) provided as an Attachment I.

ARTICLE 5. RETAINAGE AMOUNT

The GRANTOR will retain an amount equal to approximately ten percent (10%) of the total grant amount pending receipt and approval by GRANTORS of the Final Cost Certification and any other final reports required under Attachment B, Article 5 (Report Requirements). Upon approval of the final reports required under Attachment B, Article 5 (Report Requirements), GRANTORS will disburse the retainage amount, in accordance with Attachment C, Article 4 (Payments). Any unexpended grant funds which remain undisbursed upon completion of the project, approval of the Final Cost Certification, and payment of all eligible costs, shall be retained by the GRANTOR.

ARTICLE 6. DEPOSITS AND INTEREST INCOME

Payments resulting from this agreement shall be used by the GRANTEE for the project and for no other purpose without prior written approval of the GRANTOR. No interest will be accrued on these grant funds.

Any interest income that may be earned by the GRANTEE from grant funds provided to the GRANTEE by the GRANTOR remains the property of the GRANTOR. Interest income earned, if any, shall be deducted from the final ten percent (10%) retainage fee. The retainage amount shall be increased commensurate with any interest earned exceeding ten percent (10%) of the total grant amount, as evidenced by data supplied as part of the quarterly reports required under Attachment B, Article 5 (Report Requirements).

ARTICLE 7. FUNDING SOURCE RESTRICTION

Funds provided to the GRANTEE by the GRANTOR under this Grant Agreement may only be used for eligible activities as identified in Attachment B, Scope of Work, or other eligible expenses, as approved in writing by the GRANTOR.

Attachment D

AUDIT REQUIREMENTS

FEDERAL REQUIREMENTS

If you expend $300,000 or more total Federal Financial Assistance in your fiscal year, you may be required to comply with conditions of the Single Audit Act of 1984, P.L. 98-502, as amended by the Single Audit Act Amendments of 1996, P.L. 104-156, and defined in OMB Circular A-133.

Information on compliance with the Federal Single Audit Act may be obtained from, and audits completed in compliance with the Act must be submitted to:

State Single Audit Coordinator
Office of the Governor
Office of Management and Budget
P.O. Box 110020
Juneau, AK 99811-0020
Telephone: (907) 465-4660

STATE REQUIREMENTS -- CHAPTER 045 GRANT ADMINISTRATION

2 AAC 45.010 AUDIT REQUIREMENTS.

(a) As part of the financial information required under AS 37.05.030 , a state agency that enters into a financial assistance agreement to provide financial assistance to an entity shall, in coordination with any other state agencies providing financial assistance to that entity, require that entity to submit to the Department of Administration through the state coordinating agency an audit of the recipient entity if that entity is subject to an audit under this section. The audit must be conducted and submitted as described in this section. In order to ensure compliance with this subsection, a state agency must include the audit requirements of this section in any financial assistance agreement subject to this subsection.

(b) An entity that expends financial assistance with a cumulative total of $300,000 or more during the entity's fiscal year shall submit an audit report for the audit period to the state coordinating agency, by

(1) the earlier of

(A) 30 days after the entity receives its audit report for the audit period; or

(B) nine months after the end of the audit period; or

(2) a later date than the date calculated under (1) of this subsection, if

(A) the state agency that provides the financial assistance agrees to the change of date; and

(B) the agreement under (A) of this paragraph is made in

(i) writing; and

(ii) advance of the date calculated under (1) of this subsection.

(c) An audit required by this section must be conducted by an independent auditor, according to the following audit standards effective at the time of review for the audit period:

(1) Government Auditing Standards, 1994 revision adopted by the comptroller general of the United States;

(2) generally accepted auditing standards, as accepted by the American Institute of Certified Public Accountants in effect as of January 1, 1998 for the type of entity being audited;

(3) State of Alaska Audit Guide and Compliance Supplement for State Single Audits, May 1998 revision, prepared by the state coordinating agency.

(d) The audit required under this section must report on the following:

(1) the system of internal controls of the entity and the auditor's identification of reportable conditions and material weaknesses of the entity, using the applicable standards set out in (c) of this section;

(2) the entity's compliance with applicable state statutes and regulations and applicable financial assistance agreements affecting the expenditure of the financial assistance; the report must identify

findings and known questioned costs that exceed $1,000 in the aggregate for all transactions of expenditures tested for the financial assistance being audited;

(2) the entity's financial statements;

(3) the schedule of state financial assistance.

(e) As part of the audit report required under this section, the entity must provide

(1) written comments on any

(A) findings;

(B) known questioned costs;

(C) reportable conditions, including material weaknesses; and

(D) recommendations contained in the audit report;

(2) the entity's plan for corrective action, if any findings are identified or any recommendations are made in the audit report;

(3) the status of the entity's implementation of any plans for corrective actions related to

(A) the audit reports required under this section for the fiscal year before the audit period; and

(B) unresolved findings of audit reports required by this section for audit periods before those specified in (A) of this paragraph; and

(4) a written explanation of the reasons why corrective action will not be taken if the entity does not intend to take corrective action on the findings and recommendations in any audit report required by this section.

(f) An audit report required under this section need not evaluate the effectiveness of a program funded by financial assistance. However, a program evaluation or financial monitoring may be conducted by the state agency or requested of the entity by the state agency that entered into the financial assistance agreement.

(g) An audit required by this section must cover either

(1) the entire operations of the entity; or

(2) the program of the entity for which financial assistance was expended, if

(A) the entity receives financial assistance from only one state program of a state agency; and

(B) the entity does not expend the financial assistance being audited, for indirect costs, including allocations of indirect costs.

(h) An entity shall provide the state coordinating agency with sufficient copies of each audit report to allow submission of a copy to each state agency providing financial assistance to the entity. The state coordinating agency shall determine if auditing standards have been met and shall forward a copy of the audit to the Department of Administration, upon request, and other appropriate state agencies. The state coordinating agency shall coordinate the assignment of the resolution to one state gency, if the exceptions concern more than one state agency. The applicable state agency providing financial assistance to the entity must meet its responsibilities under other law for ensuring compliance with the audit report.

(i) Unless additional audit requirements are imposed by state or federal law, a state agency that provides financial assistance to an entity shall accept the audit required by this section in satisfaction of any other audit requirement. If additional audit work is necessary to meet the needs of a state agency, the audit work must be based on the audit required by this section. Nothing in this subsection authorizes a state agency to seek payment from the entity for the additional audit work.

(j) A third party that receives financial assistance through an entity, in an amount described in this section, is subject to the applicable requirements of this section. An entity that disburses $300,000 or more in state financial assistance to a third party shall ensure that the third party complies with the requirements of this section. That entity shall also ensure that appropriate corrective action is taken within six months after a third party's noncompliance with an applicable state statute or regulation, or financial assistance agreement, is disclosed.

(k) Repealed 7/1/98.

(l) For purposes of this section, if an entity has not identified its fiscal year, that entity's fiscal year is July 1 through June 30.

(m) Financial assistance in the following form is not included when calculating whether an entity meets the threshold monetary requirement under (b) of this section:

(1) state revenue sharing and municipal assistance money provided under AS 29.60.010 - 29.60.375;
(2) amusement and gaming tax money provided under AS 43.35.050 ;
(3) aviation fuel tax money provided under AS 43.40.010 ;
(4) electric and telephone cooperative gross revenue tax refunds provided under AS 10.25.570 ;
(5) alcoholic beverage license fee refunds provided under AS 04.11.610 ;
(6) fisheries tax refunds provided under AS 43.75.130 .

(n) Financial assistance in a form listed in (m) of this section is not exempt from compliance testing if the entity meets the threshold monetary requirement under (b) of this section.
(o) Repealed 7/1/98.

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

2 AAC 45.060 EXTERNAL QUALITY REVIEW OF AUDIT ORGANIZATION

The state coordinating agency may only accept an audit under this section, if that organization has submitted to the state coordinating agency a copy of the organization's most recent external quality review report that meets the standards described in 2 AAC 45.010(c) (1) and (2).

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

2 AAC 45.070 APPLICABILITY

(a) The amended version of this chapter, effective July 1, 1998, applies to an audit for an audit period that begins or continues after June 30, 1998.
(b) An entity may agree to be subject to the provisions of the amended version of this chapter, effective July 1, 1998, for an audit period beginning on or after July 1, 1997 and ending on or before June 30, 1998, by voluntarily submitting an audit that complies with those provisions.

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

2 AAC 45.080 EXEMPTIONS FROM FINANCIAL ASSISTANCE

(a) For purposes of this chapter, "financial assistance" does not include the following:
(1) public assistance provided under AS 47;
(2) goods or services purchased for the direct administration or operation of state government;
(3) moneys advanced to an entity under one or more state loan programs;
(4) power cost equalization payments made to an electric cooperative on behalf of its customers;
(5) scholarships, loans, or other tuition aid provided to students, but paid to an education institution on their behalf.
(b) In addition to the exemptions set out in (a) of this section, for a third party, "financial assistance" does not include goods purchased from the third party for direct administration or operation of the entity that received financial assistance.

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

2 AAC 45.090 DEFINITIONS

For purposes of this chapter, unless the context otherwise requires,
(1) "audit period" means the entity's fiscal year in which the entity expended financial assistance;
(2) "entity" does not include the University of Alaska or any other state agency;

(3) "financial assistance" means state grants, contracts, provider agreements, cooperative agreements, and all forms of state financial assistance to an entity; "financial assistance" includes all forms of state financial assistance provided through an entity to a third party;
(4) "known questioned costs" means those questioned costs specifically identified by the auditor in the audit conducted under this chapter;
(5) "state coordinating agency" means the office of management and budget (OMB), Office of the Governor, or OMB's designee.

Authority - AS 37.05.020 AS 37.05.030 AS 37.05.190

Attachment E

CIVIL RIGHTS OF CLIENTS AND STAFF

(a) The Grantee shall comply with Titles VI and VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990 (PL 101-336); Civil Rights Act of 1991; Administrative Order No. 129; the Food Stamp Act of 1977, Alaska Statutes, Sections 18.80.280, pertinent portions of the Code of Federal Regulations (CFR), and the Department's Policy and Procedure 190-6 for implementation of the foregoing.

The Grantee shall make no distinction or discrimination against the client, recipient, applicant or beneficiary of the Department's federally and state assisted programs on the basis of race, color, age, national origin, sex, political belief, religious creed, or disability. No client, recipient, applicant or beneficiary of these federally assisted programs shall be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Department has responsibility.

(b) Distinction on the grounds of race, color, age, national origin, sex, political belief, religious creed, or disability includes:

1. Any type of segregation, separate or different treatment, or other discrimination on that ground; other than as provided under (a) above.

2. The imposition of any admission, enrollment, quota eligibility, or other requirement or condition which individuals must meet in order to be provided any service or other benefit under the program or to be afforded an opportunity to participate in the program if the race, color, age, national origin, sex, political belief, religious creed, or disability of individuals is considered in determining whether they meet any such requirement or condition;

3. The use of membership in a group as basis for the selection of individuals for any purpose if, in selecting members of the group there is discrimination on the grounds of race, color, age, national origin, sex, political belief, religious creed, or disability.

4. The assignment of personnel to provide services, or the assignment of times or places for the provision of services, on the basis of the race, color, age, national origin, sex, political belief, religious creed, or disability of the individual to be served.

(c) The Grantee shall set up and operate internal information collection systems to provide necessary racial statistics for staff, clients, beneficiaries and/or participants. Records and reports shall be available for review by the Department, U.S.

Department of Health and Human Services and the U.S. Department of Agriculture, upon request.

(d) The Grantee shall make available to beneficiaries, participants, and other interested persons information regarding the provisions of Titles VI and VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, Section 504 of the Rehabilitation Act of 1973, the Food Stamp Act of 1977, Alaska Statutes, Sections 18.80.200 -18.80.280, pertinent CFR, and the Department's Policy and Procedure 190-6 as well as its compliance with the Americans with Disabilities Act of 1990.

(e) The Grantee shall inform and instruct staff members concerning obligations under Titles VI and VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, Section 504 of the Rehabilitation Act of 1973, the Food Stamp Act of 1977, the Americans with Disabilities Act of 1990, Alaska Statutes, Sections 18.80.200 - 18.80.280, pertinent CFR, and the Department's Policy and Procedure 190-6.

(f) The Grantee shall comply with procedures furnished by the Department for processing of complaints alleging discrimination on the basis of race, color, age, national origin, sex, political belief, religious creed, or disability.

In determination of whether a Grantee is illegally discriminating in the provision of benefits or services, consideration shall be given to the purpose of the service as expressly stated in any Federal statute, State statute, or local statute or ordinance adopted by an elected general purpose legislative body. In making such determination it shall be acknowledged that certain Federal, State or local funding is legally designated for specific groups, by age, sex, disability, income, or other specific and legal eligibility criteria. For example, programs for the aging, blind, disabled and youth provide services legally only for those groups. Also, institutions may legally serve a special age, sex, or disability group depending upon their protective, treatment, or rehabilitative needs and funding sources to provide the services.

Denali Commission Quarterly
Project Narrative

Project Name: _____

Agency: _____ Reporting Period: _____

Grant #: _____

1. What is the status of the project; include portions completed?

2. Is the project on schedule; if not, how will this be dealt with?

3. Is the project on budget; if not, how will this be dealt with?

4. Other comments/problems and solutions:

Attachment G

Denali Commission
Quarterly Project Financial Report

Project Name: _____

Agency: _____ Reporting Period: _____

Grant #: _____

Please include the following information:
(Use additional pages as necessary)

Budget Information:

1. The total project budget—Denali Commission and other funds combined
2. The total project expenditures as of the end of the most recent quarter
3. The total amount of Denali Commission funds committed to the project
4. The total expenditure of Denali Commission funds for the project as of the end of this reporting period
5. The percentage of expenditures to the total budget
6. Project Performance Analysis (use PPA form on page2 of 641)

Project Schedule:

Show the project schedule with milestone dates for design and construction.

Form 641A

Denali Commission
Quarterly Project Financial Report
Project Performance Analysis (PPA) Form

Project Name: _____

Agency: _____ Reporting Period: _____

Grant #: _____

Line Items:	Approved Budget:	Actual Cost:	Scheduled Completion Date:	Actual Work Performed:
Totals:				

_____ _____

Signature: Date:

_____

Print Name and Title: Form 641B

Attachment H

Denali Commission
Annual Labor Type, Residence, & Wage Report
Reporting Period: 11/1 – 10/31

Project Name: _____

Agency: _____ Grant #: _____

Position	Place of Primary Residence	Date of First Check	Date of Last Check	Rate of Pay Per Hour	Total Earnings from the Project to date:

_____ _____
Signature: Date:

_____
Print Name and Title:

Attachment I

REQUEST FOR ADVANCE OR REIMBURSEMENT (See instructions on back)	OMB APPROVAL NO. 0348-0004	PAGE	OF PAGES
3. FEDERAL SPONSORING AGENCY AND ORANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED	1. TYPE OF PAYMENT REQUESTED: a. "X" one or both boxes ☐ ADVANCE ☐ REIMBURSEMENT; b. "X" the applicable box ☐ FINAL ☐ PARTIAL	2. BASIS OF REQUEST ☐ CASH ☐ ACCRUAL	
	44. FEDERAL GRANT OR OTHER IDENTIFYING NUBER ASSIGNED BY FEDERAL AGENCY	5. PARTI. 5. PARTIAL PAYMENT REQUEST NUMBER NUMBER FOR THIS REQUEST	

6. EMPLOYER IDENTIFICATION NUMBER	7. RECIPIENT'S ACCOUNT NUMBER OR IDENTIFYING NUMBER	8. PERIOD COVERED BY THIS REQUEST

9. RECIPIENT ORGANIZATION	10. PAYEE (Where check is to be sent if different than item 9)
Name:	Name:
Number and Street:	Number and Street:
City, State and ZIP Code:	City, State and ZIP Code:

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED

PROGRAMS/FUNCTIONS/ACTIVITIES		*(a) new project*	*(b) old project*	*(c)*	TOTAL
a. Total program outlays to date *(As of date)*					$ 0.00
b. *Less:* Cumulative program income					0.00
c. Net program outlays for advance period		0.00	0.00	0.00	0.00
d. Estimated net cash outlays for advance period					0.00
e. Total *(Sum of lines c & d)*		0.00	0.00	0.00	0.00
f. Non-Federal share of amount on line e					0.00
g. Federal share of amount on line e					0.00
h. Federal payments previously requested					0.00
i. Federal share now requested *(Line g minus line h)*		0.00	0.00	0.00	0.00
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month				0.00
	2nd month				0.00
	3rd month				0.00

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY

a. Estimated Federal cash outlays that will be made during period covered by the advance	
Less: Estimated balance of Federal cash on hand as of beginning of advance period	
c. Amount requested *(line a minus line b)*	$ 0.00

AUTHORIZED FOR LOCAL REPRODUCTION (Continued on Reverse)

STANDARD FORM 270 (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-110

FAX MEMORANDUM

CORDOVA COMMUNITY MEDICAL CENTER

July 31, 2003

FROM: William D. McKinnon, FACHE
CEO/Administrator
Cordova Community Medical Center
Office: 907-424-8222

TO: Mr. Arnold Liebelt, Facilities Manager
Office 907-465-3037
Fax 907-465-2607

Arnold:
Please find attached (faxed) for your review a listing of the Capital Equipment and associated Capital Expenditures during the most recent Fiscal Year (FYE June 2003).

Please refer to the column labeled as "YTD Spent" with a total of $420,803.13. It is my understanding from our conversation this afternoon that the required matching will be $264,400.00 for the six identified items to be acquired under the Denali Commission Capital Equipment Grant.

Thank you for your review.

Kindest regards

Cordova Community Medical Center
Capital Budget Report
Year to Date thru June 2003
*** PRELIMINARY ***

Department	Description	Budget	YTD Spent	Balance Remaining
Clinic	Radiosurgery Unit	3,500.00		3,500.00
Clinic	Automated Defibrillator	4,722.00	6,187.80	(1,465.80)
Clinic	Copier - Sharp AR-235	4,995.00	4,995.00	-
Dietary	Dishwasher	7,400.00	8,028.74	(628.74)
Info Systems	Power Point Projector	2,700.00		2,700.00
Info Systems	New Computers (7)	9,100.00	9,421.00	(321.00)
Laundry	Washing Machine	7,400.00	7,661.41	(261.41)
Laundry	Dryer	3,100.00	3,620.72	(520.72)
Maintenance	Circulating Pumps	1,200.00	2,010.00	(810.00)
Maintenance	Roof over Generator Radiators & Emergency Exit	15,000.00		15,000.00
Maintenance	Marine Radio with Battery Back-up Power	1,500.00	687.67	812.33
Nursing	Gurney	1,300.00		1,300.00
Nursing	Automated Defibrillator	10,000.00	10,294.00	(294.00)
Nursing / LTC	Lift / Recliner Chair	1,000.00		1,000.00
Nursing / LTC	Nightstands & Dressers (6 each)	2,100.00		2,100.00
Nursing / LTC	Mattresses (6)	1,200.00		1,200.00
Nursing / LTC	Lift System	3,000.00		3,000.00
Nursing / LTC	Televisions (6)	3,000.00	2,297.08	702.92
Nursing / LTC	Refurbished Patient Beds (6)	12,000.00	14,394.52	(2,394.52)
Physical Therapy	NuStep Exercise Equipment	3,195.00	3,504.03	(309.03)
Physical Therapy	Adjustable Mat Table	1,600.00	2,079.73	(479.73)
Radiology	Radiology room freight, de-installation, room prep	18,500.00	16,821.37	1,678.63
Long Term Care	Senior Bus	55,000.00		55,000.00
	Clinic Redesign	38,900.00	68,021.83	(29,121.83)
	Sub-Total	**211,412.00**	**160,024.90**	**51,387.10**
	City of Cordova has Reimbursed			
Maintenance	Repair / Replace Parking Lot Lights		17,411.64	
	Prior Year Projects - Continued			
Maintenance	Air Handling System	48,967.45	48,967.45	-
Maintenance	Generator system upgrade (Grant Funded)	50,000.00	37,049.14	12,950.86
	Lease Purchased Equipment			
Radiology	Quantum Radiographic & Fluroscopic system		84,500.00	
Radiology	Portable X-Ray unit		25,000.00	
Laboratory	Chemistry Analyzer		47,850.00	
	Total		**420,803.13**	

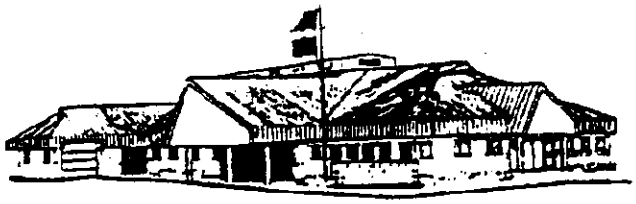
Cordova Community Medical Center

Denali Commission Capital Equipment Grant

Sterilizer	$	16,791.76
EKG Machine	$	4,828.60
San-i-pak	$	62,500.00
Bone Densitometry	$	72,000.00
X-Ray Processor	$	28,300.00
Ultrasound Unit	$	80,000.00
Central Monitoring Station	$	62,626.50 *
Total Requested	$	327,046.86
Total Awarded	**$**	**264,400.00**

**not awarded*

CORDOVA
COMMUNITY
MEDICAL
CENTER



P.O. Box 160 • 602 Chase Ave. • Cordova, Alaska 99574-0160

FAX

TO: Denali Commission FAX: 465-2607

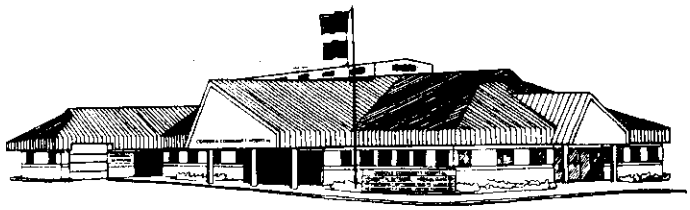
#of Pages (including this cover sheet) 34 DATE: 7/31

FROM: Administrator
907-424-8222 FAX: 907-424-8160

- Comments:

CONFIDENTIALITY NOTICE: This transmission is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged and confidential. If the reader of the message is not the intended recipient, you are hereby notified that any disclosure, distribution or copy of this information is strictly prohibited. If you have received this in error, please notify us IMMEDIATELY by telephone and return the original documents to us at the address listed above via United States Postal Service. Thank you.

CORDOVA
COMMUNITY
MEDICAL
CENTER



P.O. Box 160 • 602 Chase Ave. • Cordova, Alaska 99574-0160
Phone: (907) 424-8000 • Fax: (907) 424-8116

August 21, 2003

Ms. Barbara Ollila, Grant Administrator
DHSS/Division of Administrative Services
Facilities Section
PO Box 110650
Juneau, AK 99811-0650

Dear Ms. Ollila:

Please find enclosed the requested information related to the Denali Commission Grants Funds as administered by the State of Alaska Department of Health and Human Social Services. This information is being provided as part of the department's analysis for expediting the grant process, and to ultimately award the formal grant funds.

Attached:

1. An update narrative of capital grant project, including a budget that shows the various component costs of the project. [X]
2. A Project time Schedule. [X]
3. The name address, and legal status of the organization. [X]
4. The name title and contact address of the official who will be authorized to execute the grant agreement. [X]
5. Not applicable to this grant [--]
6. Board approved Uniform Purchasing Practices and Procedures. [X]
7. A copy of your agency's State of Alaska business license. [X]
8. A copy of the current applicable Certificate(s) of Insurance for workers compensation, general liability, automobile liability and professional liability. [X]
9. An Assurances form (enclosed) signed by the Executive Director or Executive Officer for the organization. [X]
10. Not applicable to this grant [--]
11. Demonstrate a cost share match of 50%. [X]

Sincerely,

William D. McKinnon, FACHE
CEO/Administrator
Cordova Community Medical Center

Cordova Community Medical Center
Denali Commission Grant Funds – Additional Information

Item 1. Updated narrative of capital grant project - attached

Item 2. The capital equipment as identified in the initial information application and as provided in the updated narrative will be acquired and put into service within 12 months of the funds availability.

Item 3. Cordova Community Medical Center
P.O. Box 160
Cordova Alaska, 99574

Legal Status – City Owned – not for profit

Board Members
Neil Schultz, Chairman of the Board
Paula Pershall, Vice President
Joy Rawlins, Secretary
Steve Donaldson, Board Member
Mark Hoover, Board Member
Tom Church, Board Member
Dan Logan, Board Member

Item 4. William D. McKinnon, FACHE, CEO/Administrator

Item 5. Not applicable to this grant

Item 6. Board approved Purchasing Practices and Procedures – attached

Item 7. State of Alaska Business License – attached

Item 8. Copy(ies) of Certificate(s) of Insurance - attached

Item 9. Assurance Form – attached

Item 10. Not applicable to this grant

Item 11. Documentation of cost share match of 50%. - attached

CORDOVA COMMUNITY MEDICAL CENTER – DE NALI COMMISSION EQUIPMENT GRANT

EKG Machine:

HP Phillips Clinic EKG, Model MI770A	$4,945.00
Lakeside EKG Cart	$ 350.00
Shipping	$ 125.00
VHA/Novation contract Discount	$ 641.40
Startup supplies	N/C
Alligator Clips	N/C
Total	$4,828.60

The current EKG machine is over fifteen years old and was donated by Providence. The unit was assembled from parts from two machines. The replacement unit will provide adult and pediatric computer interpretations, 12 lead capability. The unit will also provide Acute Cardiac Ischemia Time which helps in determining the probability of acute cardiac ischemia who might benefit from thrombolytic therapy.

Ultrasound Unit

The current machine is a 1997 ATL Apogee. The technology is outdated and image quality is very poor compared with current systems. All of the images are transmitted via tele-radiology to Providence in Anchorage for interpretation. The Providence radiologists have repeatedly voiced concerns regarding the image quality and have put us on a probationary status, in that if they feel the images continue to be poor quality, they will discontinue reading the scans. We currently perform approximately 30 exams a month and the expense of those patients leaving Cordova for their procedures would be about $600 per person or a cost to the community of $28,000 a month. A new unit would also allow us to perform exams that we are sending to Anchorage because of image quality.

Ultrasound Unit	$74,500.00
Estimated freight	$ 4,500.00
Total	$80,000.00

X-Ray Processor

The current processor is a Kodak RP X-OMAT donated to CCMC by Providence Medical Center in the 1980s. The thirty year old unit has a manufacturer life expectancy of 7-10 years. While some of the parts are still available they are very expensive to replace. Any problems with the wiring would mean the unit would have to be taken out of service. A sudden loss of the processor would severely cripple the department and patient care as this is the only processor in this remote community. All patients requiring X- Ray services would have to either fly commercially to Anchorage, for a cost of at approximately $600.00, or leave by Air Ambulance at a cost of approximately $12,000. Currently, the department is replacing/repairing internal components with almost every quarterly Preventative Maintenance visit. In the past year, the main X- Ray unit was replaced with a new machine and new cassettes were put into service. However, the funds to totally refurbish the department were not available. Replacement of the processor would complete the transition to images of the highest quality.

Processor: Kodak M6B Film Processor $28,300.00

CORDOVA COMMUNITY MEDICAL CENTER – DE NALI COMMISSION EQUIPMENT GRANT

Bone Densitometry

One of the goals of Cordova Community Medical Center has been to offer medical services locally, saving community members the expense of a trip to Anchorage. This is especially true in the use of Bone Densitometry for evaluation of Bone Mass Density or BMD in a variety of patient diagnosis.

Travel Expenses associated with a trip to Anchorage for a $200, 20 minute exam:

• Roundtrip Airfare	$ 275.00
• Hotel	$ 95.00
• Rental Car (2 days)	$ 120.00
• Meals	$ 75.00
Total	**$ 565.00**

This doesn't include the inconvenience of family disruption, loss of work and inconvenience to a community off-the-road-system. Some insurance companies pay for these expenses; however, it is generally a cumbersome process for reimbursement or an out-of-pocket expense.

Bone Densitometry Unit: Hologic Discovery System - $64,000 (Novation Contract Promotion, List price for this unit is $140,000). Freight is approximately $5,000. Report Reader Software - $3,000. This unit can be used for Osteoporosis screening on the post-menopausal patient as well as cancer patients, asthmatics, and patients on steroids. Features: Ten second Bone Density Testing, ten second Inter Vertebral Assessment testing, computer aided fracture assessment, paperless reporting system. This exam is reimbursed by Medicare for up to $204.00 on a screening schedule and by referrals for specific diagnosis. It is a sustainable service for this community.

Holigic Discovery System	$64,000.00
Software	$ 3,000.00
Freight	$ 5,000.00
Total	$72,000.00

CORDOVA COMMUNITY MEDICAL CENTER – DE NALI COMMISSION EQUIPMENT GRANT

San-i-pak

Cordova Community Medical Center was built in the mid-eighties and opened in 1986. At that time, it used and continues to use an incinerator to dispose of its bio-hazard waste. With years of use, this incinerator has become a growing maintenance problem. There is very serious concern that it may not be useable in a little as 1-2 years. Frequent breakdowns occur!! Burners have been replaced and repaired, the electrodes need to be reset, and the lining in the stack has almost totally deteriorated which exposes the fire brick to high temperatures. Thus, they are eroding and cracking. There is also concern that the unit could be summarily shut down by a governmental agency such as the EPA due to its current condition.

As an isolated, small is no other local means to dispose of biohazard material. Hauling the waste out of town would require transport in a special biohazard truck via ferry to Anchorage or other town; a very expensive, cost prohibitive situation. One of the best and only viable options is for this facility to purchase a unit called a San-I-Pak sterilizer that is designed for the disposal of hospital bio-hazard waste. In essence this unit sterilizes hospital waste so it can be safely disposed of in our landfill.

San-i-pak: San-i-pak Model 130-2P Sterilizer – Pr ocesses 800 lbs per eight hours	$52,000.00
Installation and Freight	$ 8,100.00
Maintenance School Attendance, Airfare, and Hotel	$ 2,400.00
Total Cost	$62,500.00

Sterilizer

The current sterilizer in use at Cordova Community Medical Center is approximately 17 years old. The company that manufactured the sterilizer has been bought our by another company. The current company, Steris, has informed us that they will provide service and parts for the sterilizer for only one more year. After that, they will no longer carry the replacement parts for it. The facility uses the sterilizer to sterilize all instruments that are used in the Outpatient Clinic, Labor and Delivery, Emergency Room, Acute Care and Long Term Care. If and when the current unit goes down, the facility does not have means to sterilize the instruments, therefore, delaying patient care, or not being able to offer our full range of service.

New Sterilizer: Pelton Crane, MagnaClave/w stand	$14,911.76
Shipping	$ 700.00
Procured Installation (airfare, car rental, hotel)	$ 580.00
Electrician fee 8 hrs@ $75/hr	$ 600.00
Total	$16,791.76