



Denali Commission
510 L Street, Suite 410
Anchorage, AK 99501

907.271.1414 *tel*
907.271.1415 *fax*
888.480.4321 *toll free*
www.denali.gov

May 10, 2007

Paul Morrison, P.E. CHFM
Health Facilities Manager
Alaska Native Tribal Health Consortium
Division of Environmental Health & Engineering
Health Facilities Engineering
1901 Bragaw St., Suite 200
Anchorage, AK 99508-3440

Dear Mr. Morrison,

RE: Addendum No. "E" to Project 0185-DC-2005

This letter is written in accordance to the Financial Assistance Award for the project referenced above and the Memorandum of Understanding (MOU) between the Denali Commission (Commission) and the Alaska Native Tribal Health Consortium (ANTHC), dated September 2004. This is the fifth such Addendum letter issued by the Commission.

The following is offered: The Denali Commission directs the ANTHC to award funding as follows:

Project Scope: Community	Commission Project Funding Amount	Cost Share Match Amount	ANTHC Management Fee*	Total Commission Funding
#AN05-GD1 Galena Assisted Living – Design Build Completion	\$170,177	N/A design	N/A	\$170,177
TOTAL COMMISSION FUNDING:				\$170,177

The funds for the project identified above, totaling \$170,177, are authorized to proceed in accordance with the original award 0185-DC-2005, under project #AN05-GD1 as a pass-thru to the Loudon Tribal Council as the grant recipient. The approved scope of work and timeline is attached to this document which identifies the Interior Regional Housing Authority (IRHA) as the contractor for this scope of work who will work directly with Peek Architects for design completion.

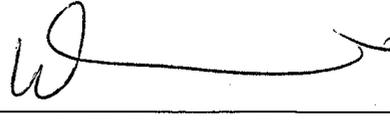
The balance of project #AN05-GD1 after this action is \$1,694,823 and is not authorized to proceed at this time.

Sincerely,

In Concurrence,



Denali Daniels
Health Facilities Program Manager



Tessa L. D. Rinner, MPA
Director of Programs

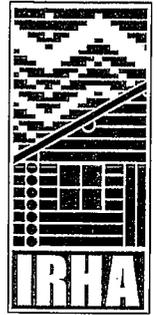
Attachment:

IRHA Letter to Louden Tribal Council – Approved scope of work and budget

File: Chronological file
0185-DC-2005/Agreement/Galena Assisted Living

CC: Simon Mawson, ANTHC (via e-mail)
Betty Sorensen, Denali Commission (via e-mail)
March Runner, Louden Tribal Council (via e-mail)
Pete Williams/Angela Ludwick, IRHA (via e-mail)
Deb Alston, HUD (via e-mail)
Joel Neimeyer, Rasmuson Foundation (via e-mail)

INTERIOR REGIONAL HOUSING AUTHORITY



April 30, 2007

Louden Tribal Council
Attn: March Runner
P.O. Box 244
Galena, Alaska 99741

RE: Galena Assisted Living Facility

Ms. Runner,

As both a construction company and a service provider the Interior Regional Housing Authority is very excited to be providing construction and construction management services to the Loudon Tribal Council and the consortium of Tribes for the Galena Assisted Living Facility. We realize that the funding agencies have been concerned about the progress of this project and we are more than happy to work with both the Funder's and the Tribes to alleviate these concerns.

Within the scope of the Letter of Understanding IRHA has (with due diligence) entered into a contract with Peek Architects to provide design services for the down-sized Assisted Living Facility. We are including a copy of this contract for your submittal to the Funder's. As IRHA receives the new design we will be developing a budget that will be submitted to the Tribes and funding agencies for the actual construction estimates of the building.

The budget for the design portion of the project is as follows:

Architect & Design (Peek): \$120,177
Planning/Travel/Incidentals (IRHA): \$ 15,000

TOTAL

\$135,177

+ 35K - Civil Engineering

Budget Justification:

Architect & Design- This is the agreed contractual amount with Peek Architects for the re-design of the Assisted Living Facility. IRHA will work closely with Peek to complete the redesign and IRHA will complete the construction budget based on the design.

TOTAL \$170,177

approved by DD, Deb Aston +

Joel Neimeyer
4/30/07

Planning/Travel/Incidentals- This is to cover staff time to develop the budgets, meet with the Tribes on re-design and construction budget(s), and also incidental costs such as copying and mailing of information. IRHA will track and provide reporting on all expenses and will make this information available to both the Tribes and funding agencies.

The timeline for the design portion of the project is as follows:

Contract Approved and Received:	May 4, 2007
Concept Design (7-10 Business Days):	May 18, 2007
Schematic Design (30-35 Business Days):	June 25, 2007
Review & Cost Estimating by IRHA (7-10 Business Days)	July 2, 2007
Construction Documents (45 Business Days):	Aug. 31, 2007
Submit for Permits/ Final Construction Estimate (30 days):	Sept. 14, 2007

IRHA fully expects to have the foundation laid by this fall and material lists developed, ordered and at least 50% on site by November of this year. IRHA will work diligently to make this happen so that construction can be undertaken in the early spring of 2008. Although this may seem like a lofty goal, IRHA is confident in our ability to make this happen due to our many years of experience in handling logistics and construction in remote Interior Alaska villages.

Included with this letter is an Overview of IRHA, the Tribes we serve, the services we offer as well as justification for the use of Force Account Labor.

If there is anything else that is needed please call us anytime.

Sincerely,
INTERIOR REGIONAL HOUSING AUTHORITY

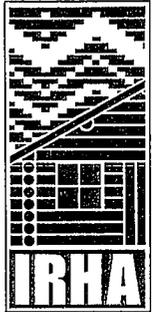


Pete Williams,
Deputy Executive Director

ATTACHMENT:

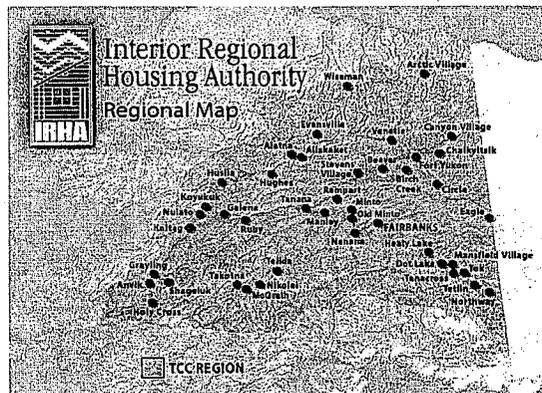
Overview of IRHA

INTERIOR REGIONAL HOUSING AUTHORITY



Overview of the Interior Regional Housing Authority

The Interior Regional Housing Authority (IRHA) is a non-profit organization with authority derived from both state and federal law. IRHA was formed in 1974 along with thirteen other Alaskan housing authorities to administer programs of the U.S. Department of Housing and Urban Development (HUD) throughout the state. IRHA serves the Tribes of the Doyon region, encompassing remote traditional villages, and Alaska's second largest city, Fairbanks. It is larger than the entire state of Texas.



IRHA's main office is located in Fairbanks and employs thirty-one permanent employees and upwards of 150 people during the construction season (May – August). 75% of IRHA's permanent staff is Alaska Native or American Indian and about 95% of the non-permanent staff (construction) is Alaska Native or American Indian. Although the main office is in Fairbanks the majority of IRHA's seasonal employees are spread out in remote tribes working on the various new construction and rehabilitation projects that take place each year.

Serving this vast region effectively is a tremendous challenge. Through partnerships with its member tribes, IRHA develops locally driven plans to improve and expand affordable housing in communities large and small. Employing local residents whenever possible, IRHA contributes to village economies and provides valuable job training and experience.

The following tribes have chosen IRHA as their Tribally-Designated Housing Entity (TDHE):

Alatna, Allakaket, Anvik, Beaver, Birch Creek, Canyon Village, Circle, Dot Lake, Fairbanks, Eagle, Evansville, Healy Lake, Grayling, Holy Cross, Hughes, Huslia, Kaltag, Koyukuk, Lake Minchumina, Manley, McGrath, Medfra, Nikolai, Minto, Nenana, Nikolia, Northway, Ruby, Shageluk, Stevens Village, Takotna, Tetlin, Tok and Telida.

IRHA provides services in the areas of; developing yearly Indian Housing Plans, Annual Performance Reporting, grant writing, Environmental Reviews, determining applicant eligibility, establishing project schedules, establishing materials lists, financial reporting to the tribes and HUD, project design, procurement and shipment, payroll, accounts payable, home buyer counseling, accounts receivable and collections. IRHA also manages skills that are licensed by the State of Alaska, which includes Electrical, Plumbing, Mechanical and other specialized services.

Force Account Labor

For the last several years the Interior Regional Housing Authority (IRHA) has used Force Account Labor in lieu of competitive bidding. There are two main reasons that IRHA uses force account labor:

- 1) Cost Effectiveness
- 2) In-House Experience/Expertise

1. Cost Effectiveness:

In the past (prior to 2000) IRHA built most of our homes through the competitive bid process using contractors. IRHA found that the competitive bidding process worked well in Fairbanks where there are a number of contractors/construction companies. The difficulty in the competitive bid process lies mostly in our rural communities where there is a lack of contractors/construction entities for a competitive bid process either due to a lack of local expertise or unreasonable bids.

IRHA's immense experience and knowledge involving the logistics of working in rural Alaska has made it much more "cost effective" for IRHA to use Force Account labor in providing construction services in our rural communities.

IRHA's normal course of business is to administer NAHASDA funding of which IRHA uses 20% for administration. In further amplification of Interior Regional Housing Authority's role, it should be underscored that as a non-profit housing entity, IRHA's Project involvement is not in any way "adversarial" to the interests of the Owner, but rather one of "partnership" with the Louden Tribal Council which is in contrast to the usual relationship between a Contractor and Owner. IRHA's goal is not profit making but to assist in making this project a reality.

2. In-House Experience/Expertise:

One of IRHA's goals is provide employment and training opportunities to the people that we serve. The majority of IRHA's employee's are Alaska Native or American Indian and most, if not all, of them are from the communities that we serve. IRHA has taken great pride in training and employing a work force with skills in Carpentry, Mechanical, Electrical and overall Project Management, skills that are second to none.

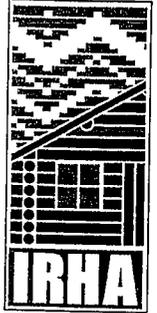
IRHA is currently partnered with the University of Alaska-Interior Aleutians Campus to provide Construction Trades training. The University realizes IRHA's expertise and has

tapped IRHA's Foremen as Instructor(s). We are currently in the third year of providing this valuable training.

When building in rural Alaska, IRHA, working with the local Tribal Councils uses as much local labor as possible. Force Account labor has allowed IRHA to train and employ an experienced and efficient work force.

One last critical point to make is that Force Account has enhanced ownership and pride in the work being done.

INTERIOR REGIONAL HOUSING AUTHORITY



DESIGN/BUILD FIXED CONTRACT AMOUNT

THIS AGREEMENT, Made as of May 4, In the Year of 2007,

Between the Owner: **Louden Tribal Council**
P.O. Box 244
Galena, Alaska 99741
(907) 656-1711

And the Contractor: **Interior Regional Housing Authority**
828 27th Avenue
Fairbanks, Alaska 99701
(907) 452-8315

For the Project: **Galena Assisted Living Facility**
Campion Rd.
Galena, Alaska 99741

Construction Financing **HUD-ICDBG, Denali Commission, Rasmuson Foundation, and AHFC**

ARTICLE 1. CONTRACT DOCUMENTS

- 1.1 The contract documents shall consist of this agreement, general conditions, construction documents, specifications, allowances, finish schedules, construction draw schedule, information disclosure statement, all addenda issued prior to execution of this agreement and all change orders or modifications issued and agreed to by both parties. These contract document(s) will represent the entire agreement(s) of all parties and supersede any prior oral or written agreement.

ARTICLE 2. SCOPE OF WORK

- 2.1 The Owner agrees to purchase and the Contractor agrees to work with the Architect to receive a set of CAD design documents and construct the above mentioned structure and fixtures attached thereto in the community of Galena, Alaska "Galena Assisted Living Facility," according to the construction documents, allowances, finish schedules, all addenda, change orders, modifications and specifications set forth in the specification booklet.

ARTICLE 3. DESIGN DEVELOPMENT

- 3.1 Based upon a mutually agreed upon program and layout to be established, the architect, shall prepare a set of schematic design documents for review by the owner. These documents shall include basic floor plans and a front elevation, as well as any specific information requested by the owner/contractor and agreed to by contractor/owner/architect in the Initial Meeting. These are usually hand drawings to show room sizes and adjacencies.
- 3.2 The owner and contractor/owner/architect will review the drawings and discuss changes, options, questions or general concerns they may have regarding the design. The architect will then prepare a

set of CAD design development documents showing the modified floor plans, elevations and electrical layouts.

- 3.3 Upon final approval of the design, the production of the plans shall take approximately 30-35 business days to complete.
- 3.4 The final meeting shall consist of the Contractor receiving the completed plans. The final construction documents shall consist of the following documents; floor plans, all elevations, typical details and sections, foundation plans, electrical layouts, framing plans, and roof plans.
- 3.5 The cost of the plans is \$120,177.00 per contract between Contractor (IRHA) and Architect (Peek).
- 3.6 Payment for the design (\$120,177.00) and planning/travel/incidental (\$15,000) costs in the total amount of **One Hundred Thirty Five Thousand One Hundred and Seventy Seven Dollars (\$135,177.00)** are due to the Contractor as follows:
- Within 14 days of this signed contract: **Amount due \$45,045.00** (Peek- \$30,045 Initial Payment and IRHA- \$15,000- Planning/Travel/Incidentals).
- June 15, 2007 Schematic Design Submittal- **Amount due \$41,192.00**
- August 31, 2007 Construction Document Submittal- **Amount due \$48,940.00**
- 3.7 At the receipt of final plans the owner shall pay for any additional services and/or reimbursable expenses accrued. Complete payment is due upon receipt of the design documents.

ARTICLE 4. TERMINATION OF THE CONTRACT

- 4.1 Should the Owner or Contractor fail to carry out this contract, with all of its provisions, the following options and stipulations shall apply:
- 4.1.1 If the Owner or the Contractor shall default on the contract, the non-defaulting party may declare the contract is in default and proceed against the defaulting party for the recovery of all damages incurred as a result of said breach of contract, including a reasonable attorney's fee.
- 4.1.2 In the event of a default by the Owner or Contractor, the non-defaulting party may state his intention to comply with the contract and proceed for specific performance.
- 4.1.3 In the case of a defaulting Owner, the Contractor may make claim to the Owner for all work executed and for proven loss with respect to equipment, materials, tools, construction equipment and machinery, including reasonable overhead, profit and damages applicable to the property.

ARTICLE 5. ATTORNEY FEES

- 5.1 In the event of any arbitration or litigation relating to the project, project performance or this contract, the prevailing party shall be entitled to reasonable attorney fees, costs and expenses.

Initialed by: Owner _____ Contractor _____

Design/Build Fixed Contract Amount
Galena Assisted Living Facility
IRHA and Louden Tribal Council
Page 3 of 3

Subscribed and sworn before me this _____ day of _____, in the year _____

Notary Signature

Seal or Stamp

My appointment expires _____

Louden Tribal Council (Owner)

Subscribed and sworn before me this _____ day of _____, in the year _____

Notary Signature

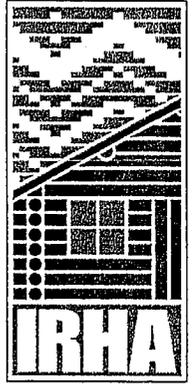
Seal or Stamp

My appointment expires _____

Interior Regional Housing Authority (Contractor)

Initialed by: Owner _____ Contractor _____

INTERIOR REGIONAL HOUSING AUTHORITY



26 April 2007

Louden Tribal Council
Attn: March Runner/Chris Sommer
P.O. Box 244
Galena, Alaska 99741

Re: **LETTER OF UNDERSTANDING**

Subj: **Respective roles and responsibilities of parties involved with the management, design, and construction of the *Galena Assisted Living Facility* project.**

Dear Mr. Sommer,

The purpose of this document is to afford a *Letter of Understanding* to clearly define the roles and responsibilities of the entities involved with the management, design, and construction of the *Galena Assisted Living Facility* Project. In addition, it is intended to address and qualify the designated time period affected by said roles, and the cessation of designated responsibilities at the Project's completion.

I. Owner's Role and responsibilities.

It is hereby understood that the Louden Tribal Council is designated the **Owner** of the *Galena Assisted Living Facility* and as such retains all prerogatives normally associated with the **Owner's** role. Such prerogatives include, but are not necessarily limited to ultimate decisions of basic design, color and other architectural appointment selections, and the general functional features of the facility. Exceptions to the aforementioned may include situations when the **Owner** decides it is in the Project's best interest to defer to the valued judgment of the **Constructor** and/or the **A & E consultant**, under the **Constructor's** direction. Such deferrals may include technical matters involving general construction materials' means and methods.

It is further understood that as the designated **Owner**, the **Louden Tribal Council** shall, at the Project's completion, assume responsibility to determine and implement the policies and program(s) offered by the "assisted living" facility, and dispose of all fiduciary considerations under which the facility will operate.

II. Constructor/Contractor's Role and responsibilities.

INTERIOR REGIONAL HOUSING AUTHORITY

It is hereby understood that the Interior Regional Housing Authority is designated by the **Owner** to be the **Constructor/Contractor** of the *Galena Assisted Living Facility*. In addition, it is hereby decided that the Interior Regional Housing Authority shall function as the (general) **Construction Manager** for the Project, and as such, is directed to act with the full authority of the **Owner**, subject to the **Owner's** ultimate approval, in all matters of the following:

1. Coordination of design work performance of the designated **A & E Consultant**.
2. Construction Scheduling and Implementation.
3. Production of the (periodic) *Payment Schedule* for the **Owner's** pre-approval.
4. Management of funding dollars, in accordance with the *Payment Schedule*, as pre-approved by the **Owner**.
5. Management of any and all Subcontractor entities required to produce satisfactory work completion.

In further amplification of **Interior Regional Housing Authority's** role, it should be underscored that as a non-profit housing entity, **IRHA's** Project involvement is not in any way "adversarial" to the interests of the **Owner**, but rather one of "partnership" with the Louden Tribal Council.

III. Architect/Engineer's Role and responsibilities.

It is hereby understood that Lawrence H. Peek, Architects shall, as designated by the **Owner**, to function as the Project's **Architectural/Engineering** entity. As such, the Architect/Engineer shall be responsible for viability of all design features, compliance with applicable building codes, and the coordination of any and all design consultants required to address disciplines beyond his field of expertise, and as necessary to produce a completed facility as approved and determined by the **Owner**.

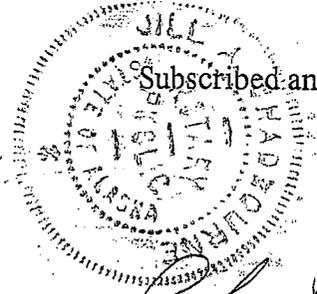
It is hereby further understood that the Architect/Engineer shall coordinate his design activities, and any adjustments thereof, with the construction schedule and requirements of the **Constructor/Contractor, Interior Regional Housing Authority**. All the aforementioned shall be with the ultimate approval of Louden Tribal Council as the **Owner**.

Having read and understood the definitions, roles and responsibilities as outlined in this "Letter of Understanding", we, the undersigned are in full agreement as attested to by affixing our signatures to this document as noted below. We remain committed to a successful completion of the *Galena Assisted Living Facility* as a physical testament to our integrity, good will, and mutual understanding.

INTERIOR REGIONAL HOUSING AUTHORITY

BY CHRISTOPHER SOMMER, CHIEF, LTC

Subscribed and sworn before me this 2ND day of MAY, in the year 2007



Jill A. Chadbourne
Notary Signature

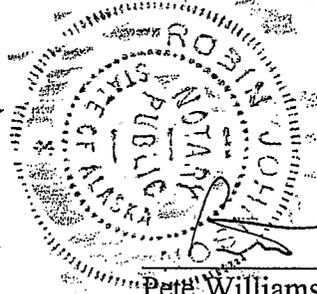
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My appointment expires 1-29-2008

Chris Sommer

Chris Sommer, Chief
Louden Tribal Council (Owner)

Subscribed and sworn before me this 26th day of April, in the year 2007



Robin Johnson
Notary Signature

Seal or Stamp

My appointment expires 9-21-09

Pete Williams

Pete Williams, Deputy Executive Director
Interior Regional Housing Authority (Contractor/Manager)

GALENA SUB-REGIONAL BOARD SIGNATURE PAGE
REGARDING LETTER OF UNDERSTANDING

Nulato Traditional Council Walter J. Stickman (SR) 2nd chief WALTER J. STICKMAN (SR)
Signature Printed

Koyukuk Traditional Council _____
Signature Printed

Ruby Tribal Council _____
Signature Printed

Kaltag Traditional Council _____
Signature Printed

GALENA SUB-REGIONAL BOARD SIGNATURE PAGE
REGARDING LETTER OF UNDERSTANDING

Nulato Traditional Council

Signature

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Koyukuk Traditional Council

Leo Lowitz

Signature

LEO LOWITZ

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Ruby Tribal Council

Donald Honea Jr.

Signature

Donald HONEA JR.

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Kaltag Traditional Council

Signature

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GALENA SUB-REGIONAL BOARD SIGNATURE PAGE
REGARDING LETTER OF UNDERSTANDING

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Koyukuk Traditional Council

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Ruby Tribal Council

Donald Hone Jr.

Signature

Donald HONEA JR.

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Kaltag Traditional Council

Signature

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GALENA SUB-REGIONAL BOARD SIGNATURE PAGE
REGARDING LETTER OF UNDERSTANDING

Nulato Traditional Council

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Koyukuk Traditional Council

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Ruby Tribal Council

Signature

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Kaltag Traditional Council

John F. Madros Sr.

Signature

John F. Madros Sr.

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