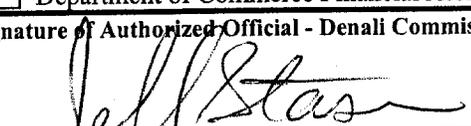
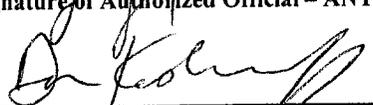


 <b>Financial Assistance Award</b>  <b>DENALI COMMISSION</b> 510 "L" Street, Suite 410 Anchorage, Alaska 99501 (907) 271-1414		<b>Project Number</b> 0019-DC-2001-11						
		<b>Denali Commission Accounting Code</b> 95670000						
<b>Recipient Name &amp; Address</b>  Alaska Native Tribal Health Consortium Department of Environmental Health 3925 Tudor Centre Dr. Anchorage, AK 99508  Phone (907) 729-3600 Fax (907) 271-4735		<b>Cost Share Distribution</b>						
		<table border="1"> <thead> <tr> <th>Denali Commission</th> <th>ANTHC &amp; other contributors</th> <th>Totals</th> </tr> </thead> <tbody> <tr> <td>\$3,991,825.19</td> <td>0</td> <td>\$3,991,825.19</td> </tr> </tbody> </table>	Denali Commission	ANTHC & other contributors	Totals	\$3,991,825.19	0	\$3,991,825.19
Denali Commission	ANTHC & other contributors	Totals						
\$3,991,825.19	0	\$3,991,825.19						
<b>Authority</b> 112 Stat 1854	<b>Project Title</b> Alaska Rural Primary Care Facility Planning, Design, and Construction – FY2001	<b>Award Performance Period</b> From: January 1, 2001 To: December 31, 2005						
<p>This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions indicated below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Federal Co-Chair of the Denali Commission and the Recipient shall retain the third document. If not signed and returned without modification by the Recipient within 30 days of receipt, the Federal Co-Chair may unilaterally terminate this Award.</p> <p> <input type="checkbox"/> EDA Standard Terms and Conditions Public Works and Implementations Construction Components, dated 3/99  <input checked="" type="checkbox"/> Special Award Conditions and Attachments  <input type="checkbox"/> Line Item Budget  <input type="checkbox"/> 15 CFR 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State and Local Governments (<a href="http://www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html">www.access.gpo.gov/nara/cfr/waisidx_99/15cfr24_99.html</a>)  <input type="checkbox"/> OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments (<a href="http://www.whitehouse.gov/OMB/circulars/a087/a087-all.html">www.whitehouse.gov/OMB/circulars/a087/a087-all.html</a>)  <input type="checkbox"/> OMB Circular A-133, Audits of States, Local Governments and Indian Tribal Governments (<a href="http://www.whitehouse.gov/OMB/circulars/a133/a133.html">www.whitehouse.gov/OMB/circulars/a133/a133.html</a>)  <input checked="" type="checkbox"/> 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations (<a href="http://www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html">www.access.gpo.gov/nara/cfr/waisidx_99/15cfr14_99.html</a>)  <input checked="" type="checkbox"/> OMB Circular A-122, Cost Principles for Nonprofit Organizations (<a href="http://www.whitehouse.gov/OMB/circulars/a122/a122.html">www.whitehouse.gov/OMB/circulars/a122/a122.html</a>)  <input type="checkbox"/> OMB Circular A-21, Cost Principles for Educational Institutions (<a href="http://www.whitehouse.gov/OMB/circulars/a021/a021.html">www.whitehouse.gov/OMB/circulars/a021/a021.html</a>)  <input type="checkbox"/> EDA Standard Terms and Conditions Capacity Building Programs  <input type="checkbox"/> Department of Commerce Financial Assistance Standard Terms and Conditions, dated 10/98         </p>								
<b>Signature of Authorized Official - Denali Commission</b> 		<b>Typed Name and Title</b> Jeffrey Staser, Federal Co-Chair		<b>Date</b> 3/20/01				
<b>Signature of Authorized Official - ANTHC</b> 		<b>Typed Name and Title</b> Don Kashevaroff, Chairman / President		<b>Date</b> 3/20/01				

**Award Conditions to the Financial Assistance Award**  
**Project No. 0019-DC-2001-I1**  
**Alaska Rural Primary Care Facility Planning, Design, and Construction – FY2001**  
**Alaska Native Tribal Health Consortium**

1. The scope of work for this Financial Assistance Award is the planning, design and construction of rural primary care facilities. The estimated costs for this Award follows.

<b>Item No.</b>	<b>Description</b>	<b>Estimated Cost</b>	<b>Comments</b>
1.	Reimbursement to ANTHC for completion of Phase 1 of the Alaska Rural Primary Care Facility Needs Assessment	\$19,805.19	Additional printing costs and contract settlement on additional work by the ANTHC contractor (NANA-Dowl).
2.	Code and Condition Surveys for existing clinics and new clinic sites – 120 communities	\$1,200,000	Completion of Groups 1,2,3, and 4 communities @ \$10,000/survey (eligible for advance funding)
3.	Core Program expenses		(eligible for advance funding, all expenses are annualized)
a.	Program Manager	\$130,000	Direct Hire (1 FTE)
b.	Travel and per-diem	\$12,000	
c.	Accounting Technician	\$21,000	Direct Hire (1/4 FTE)
d.	Database management	\$5,520	
e.	Start-up costs	\$95,000	Includes office space, computer equipment, telephones, procedure development
f.	Database start-up	\$8,500	
4.	Commission identified projects for funding	\$2,300,000	To be provided to ANTHC after the RFPs have been scored by the steering committee (eligible for advance funding).
5.	Development of standardized rural clinic designs	\$200,000	(eligible for advance funding)
	<b>TOTAL</b>	<b>\$3,991,825.19</b>	

Total Denali Commission funding for the Alaska Native Tribal Health Consortium (ANTHC) through this Financial Assistance Award is \$3,991,825.19. All Commission funding (as indicated above in line items as eligible for advance funding) provided to ANTHC is eligible for interest accrued to pay for the scope of work identified above. [All interest funds will be accounted for and identified in the quarterly financial reports.] All Commission funding is intended for use for the scope of work specified above only.

In the event there is a balance of funding after the full scope of work is completed, then the Commission will determine how the excess funds (including interest accrued) will be allocated.

2. The Project Officer for the ANTHC is Mr. Rick Boyce and for the Denali Commission Mr. Joel Neimeyer.
3. [The ANTHC shall submit written progress reports to the Commission Project Officer quarterly (January/March, April/June, etc.). The reports are due within 30 calendar days of the end of the quarter.] Written notification is required in the event of significant project events that may extend the project schedule and/or impact the project budget. Quarterly progress reports shall include a narrative summary of the project status (for each clinic project) 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. These progress reports shall be sent to:

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

The Commission reserves the right, at a future date, to direct the ANTHC to provide the progress reports in electronic format for posting on the Commission web page.

4. Two forms of project financial reports are required.
  - A. Project financial status reports shall be submitted to the Commission Project Officer quarterly (included as part of the quarterly progress reports). For each project that includes funding from the Denali Commission, the quarterly financial status report shall show the following:
    - i. the total project budget
    - ii. the total amount of Denali Commission funds committed to the project
    - iii. the total project expenditures as of the end of the most recent quarter
    - iv. the total expenditure of Denali Commission funds for the project as of the end of the most recent quarter based on pro rata share of total contributions (report can be by dollar amount or percentages)
    - v. the percentage of expenditures to the total budget; and
    - vi. a project performance analysis on project line items, as defined by ANTHC, showing budget costs compared to actual expenditures and obligations to date versus work performed to date.
  - B. A final Financial Status Report (Standard Form 269 – [www.whitehouse.gov/OMB/grants/index.html#forms](http://www.whitehouse.gov/OMB/grants/index.html#forms)) shall be submitted to the

Commission Project Officer within 90 days after the end of the Award Performance Period.

5. To receive payment, the ANTHC must submit a "Request for Advance or Reimbursement", Standard Form-270, to the Commission Project Officer. It is expected that the ANTHC will forecast by letter or spreadsheet format, Commission funds or working capital advances needed on a monthly (or as needed) basis for each line item in Paragraph No. 1 that is not eligible for advance funding. This does not preclude more frequent Commission payments, then monthly, given project specific needs. The Commission reserves the right to prohibit further payments to the ANTHC, at any time, if discrepancies involving Commission funds arise, until such time that the discrepancies are resolved to the satisfaction of the Commission.
6. To the maximum extent feasible, considering applicable laws, the ANTHC shall accomplish the work of this Agreement utilizing local labor.
7. No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.
8. Based upon proposed Federal funding, project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds. In accordance with NEPA and NHPA legislation, the ANTHC shall address all potential environmental concerns (specific and cumulative effects) associated with the projects, identified in this Agreement, in consultation with applicable Federal, State, and local authorities. If the scope of work is changed in the future, then the ANTHC will revisit the project level environmental reviews to determine if potential environmental concerns must be further addressed. In the interest of streamlining the project level environmental reviews and avoid duplication of effort, any other Federal Agency environmental review process carried out by the ANTHC on projects, identified in this Agreement, shall meet the intent of this paragraph.
9. Changes to the Financial Assistance Award can take two forms.

Amendments shall be identified by sequential number followed by the Denali Commission project number (i.e. Amendment No. 2 – Project # 0001-DC-1999-I1). The Commission Federal Co-Chair and the designated representative for the ANTHC shall execute these Amendments. These documents (in Financial Assistance Award format with attached Award Conditions) define the changes to the scope of work, project schedule and estimated costs for each specific project undertaken. In general, Amendments are used for changes in funding from the Commission and/or other sources to the total project amount.

Addendums to Financial Assistance Award are in letter format from the designated Project Officer for the Commission to the designated Project Officer for ANTHC. Addendums shall be identified by sequential letter followed by the Denali Commission project number (i.e. Addendum No. B – Project # 0001-DC-1999-I1). These Addendums shall be executed by the concurrence of the Commission Project Officer and approval by the Commission Chief of Staff. In general, Addendums are used for small changes in project scope. In addition, they can be used as a “delivery order” to ANTHC to do miscellaneous work associated with the primary health care program. These addendums shall include a scope of work, negotiated cost reimbursement, a method to measure completion of work, and lastly payment method.

MAR 20 2001

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE DENALI COMMISSION  
AND  
THE ALASKA NATIVE TRIBAL HEALTH CONSORTIUM  
  
FOR ALASKA RURAL PRIMARY CARE FACILITIES  
PLANNING, DESIGN, AND CONSTRUCTION**

March 2001

**I. INTRODUCTION:**

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

**II. PURPOSE:**

This Memorandum of Understanding (MOU), between the organizations named above, establishes the roles and responsibilities of each party with regard to the planning, design, and construction of rural primary care facilities. Listed below in Table A are the four rural primary care facilities programs that the Commission has identified and the role expected that ANTHC would fulfill.

<b>Table A: Denali Commission Rural Primary Care Facilities Programs</b>		
<b>Commission Program</b>	<b>Description</b>	<b>ANTHC Role</b>
"Small" clinic program	Typically new or renovated clinics serving a community of less than 750 year-round residents; with a cost less than \$1 Million for the clinic portion of the project.	All small clinic projects will be managed by ANTHC in accordance to this MOU.
"Large" clinic program	Typically new or renovated clinics serving a community or more than 750 year-round residents with a cost more than \$1 Million for the clinic portion of the project, or a facility serving multiple communities.	Large clinics may be managed by ANTHC in accordance to this MOU, or through a separate Commission Agreement (which ANTHC may or may not participate in).
Clinic repair program	This program has yet to be defined and ratified by the Commission.	To be determined.
IHS "New Construction Priority List"	The Indian Health Service (IHS) provides capital funding for a number of health care facilities.	ANTHC's role is project specific and as requested by the receiving organization.

**MEMORANDUM OF UNDERSTANDING  
ALASKA RURAL PRIMARY CARE FACILITIES**

**PAGE 2  
MARCH 2001**

Although the Commission does not have programs in place for other health care facilities programs, Section 701 of the Denali Commission Act of 1998 allows for demonstration health, nutrition, and child-care projects. ANTHC may serve some role in developing these types of projects and the MOU may be amended to reflect these new programs. It is expected that the Commission will formalize the existing clinic repair program, and subsequently, the role of ANTHC will be determined.

**III. AGREEMENT:**

WHEREAS, the Commission with a 5-percent cap on administration costs typically finds other State and Federal agencies and organizations to carry out Commission projects and programs, and

WHEREAS, the Commission selected ANTHC as a rural primary care facilities partner (for planning, design and construction) at the September 14, 2000 quarterly Commission meeting (and as affirmed in the Commission-sponsored October 2000 ICRC report: "Review of Organizational Capabilities as Rural Health Care Facility Design and Construction Project Managers"), and

WHEREAS, the Commissioners at the September 14<sup>th</sup> quarterly meeting also established the rural primary care Steering Committee (ANTHC, the Commission, the Indian Health Service, U.S. Department of Agriculture – Rural Development, Alaska Department of Health and Social Services, the Alaska Center for Rural Health, the Alaska Primary Care Association, and the Alaska Mental Health Trust Authority) to provide policy, technical review and support to the Commissioners in the area of rural health care including oversight review of ANTHC in their role of planning, design and construction of rural primary care facilities, and

WHEREAS, the Commission and ANTHC want to assist rural Alaskan communities in providing primary care facilities to improve the community residents' health, and

WHEREAS, the mission of ANTHC is consistent with the functions assigned under this Agreement.

NOW THEREFORE, to carry out the Commission rural primary care facilities program, the parties agree to the following general roles and responsibilities:

**A. PROJECT/PROGRAM AGREEMENT DOCUMENTATION:**

The hierarchy for project/program Agreement documentation follows.

1. This MOU outlines the overall long-term approach for the Commission rural primary care facilities program.

2. Under a separate MOU, the parties to the Steering Committee have identified roles and responsibilities including advising the Commission on rural health care matters. By reference to this separate Agreement, ANTHC shall be guided by the written Commission policies and methodologies developed for the Commission rural primary care facilities program. In the event there is a conflict between this Agreement and the Steering Committee MOU, the Denali Commission, through its Federal Co-Chair, shall determine the course of action.
3. Annually (or more frequently as necessary), the Commission and ANTHC shall execute a Financial Assistance Award, and subsequent Financial Assistance Award Amendments as needed. The Financial Assistance Award will provide the specific details for the rural primary care facilities program such as project scope and funding, a "not to exceed" cost ceiling for each identified rural primary care project, Commission administrative requirements, fund transfers from the Commission to ANTHC, and any miscellaneous primary care facilities and programmatic tasks.
4. The ANTHC shall enter into subordinate Cooperative Project Agreements, and subsequent Cooperative Project Agreement Amendments as needed, with communities, owners and operators of rural primary care facilities, and other interested parties, as necessary, for development of individual projects (design and construction).

**B. COMMISSION ROLES AND RESPONSIBILITIES:**

1. The Commission will designate a construction representative to coordinate its participation in the rural primary care program, and will participate in coordination meetings including the Steering Committee.
2. The Commission will provide written policy direction (see Paragraph A.2. above) and technical assistance to the ANTHC as appropriate, to successfully complete the planning, design and construction of rural primary care facilities.
3. The Commission will provide payments in accordance to the Financial Assistance Awards (advance or reimbursed payments as identified) to ANTHC for anticipated project and programmatic costs to be incurred for the rural primary care program. Notwithstanding the authority granted to the Commission to provide written direction to ANTHC in Paragraphs Nos. B2 and A2 (above), ANTHC will not be requested to undertake work that they are not reimbursed at a fair and reasonable rate.
4. The Commission, directly or through the Steering Committee, will issue request for proposals (RFP) for primary care projects, code and condition notices and notice of selection/rejection letters to short-listed communities and/or clinic owners and

operators. The selection letter will identify the funding source, the amount awarded for their project, and the role of the ANTHC as the Commission's agent for rural health care facilities. The goal is to clearly distinguish that project selection is fully under the control of the Commission, and that ANTHC and the community participates in the project only through the invitation of the Commission.

5. The Commission will develop and execute a brief Letter Agreement with each "small" community and/or the owner of the "small" community clinic (as the specific situation requires) to allow for code and condition surveys of the existing community clinic and/or any other preliminary project planning efforts. This Letter Agreement will establish roles and responsibilities with the community and/or clinic owner for data gathering, and fieldwork. It is understood that the code and condition surveys are the basis for a more detailed project scope of work (i.e. repair or renovation of the existing clinic or new clinic construction). These Letter Agreements shall clearly identify the role of ANTHC as the Commission's agent for rural primary care facilities.

**C. ANTHC ROLES AND RESPONSIBILITIES:**

1. As the Commission's agent for rural primary care facilities, ANTHC may carry out project pre-planning efforts that will be used to fully identify the project scope of work. This work will be done under the authority provided in the Letter Agreement (see Paragraph B.5. above).
2. Upon notification by the Commission of specific projects funded for planning, design and/or construction (typically in the Financial Assistance Awards), ANTHC will develop and execute Cooperative Project Agreements with each community and/or owner of the community clinic, and other interested parties as appropriate, for all rural primary care planning, design and construction projects. The Cooperative Project Agreement will establish roles and responsibilities with the community, and other interested parties, for project design and construction management and obligation of project funding. It is understood that ANTHC will promote the community and/or the community clinic owner and the health care provider to participate in the selection of the appropriate project management (design and construction) option (see Paragraph E. below). [Both parties accept that a large factor in project success is maximizing local/regional participation and support of the project.]
3. The ANTHC will designate a Clinic Construction Program Manager for the rural primary care facilities construction program, and Project Engineer(s) for each participating community to oversee project planning (including pre-planning efforts ANTHC may undertake to develop a project scope), design and construction.

4. It is understood that the management fees in Paragraph E below do not include cost reimbursement to ANTHC for responding to community requests for assistance in completing the RFPs.
5. The ANTHC will develop a schedule for the code and condition surveys, and subsequent rural primary care planning, design and construction projects. The ANTHC will provide the members of the Steering Committee with a copy of these schedules.
6. The ANTHC will notify the Commission and provide copies of the schedule for project final inspections.
7. The ANTHC will provide quarterly progress reports and financial summaries in a mutually agreeable common format for each community with an active Cooperative Project Agreement.
8. The ANTHC will expand their existing quality assurance program to include the clinic construction projects.
9. The ANTHC will host the APCDS database (as part of it's core program functions) ensuring it is available to program participants and other authorized users (as determined by the Commission). Modifications (scope and associated cost) to the database structure as well as any existing data updates, including password management, will be addressed through a separate Financial Assistance Award. ANTHC will work with the Commission and the State of Alaska to establish a linkage between APCDS and the State's RAPIDS database (see the steering committee MOU).

**D. ANTHC PROJECT PROCESS:**

1. The ANTHC will process Commission sponsored projects in the same manner as it does for its own projects (design, quality control, project support, funding control, and construction management). This includes, as appropriate, the development and execution of Project Agreements/Amendments, Transfer Agreements, and Final Reports (note: one copy of all of these documents will be provided to the Commission within 30 days of execution). The project Final Report will also serve as the final cost accounting document. The parties acknowledge that future discussions will be required to identify a mutually agreeable list of what must be included in the project Final Report in order to meet Commission policies and procedures. All contributors will receive a copy of the project Final Report, which will document project transfer.

2. The normal ANTHC project approval and environmental review processes will be followed. This includes, but is not limited to: documentation of project site control, State Fire Marshall approval, and compliance with environmental and archaeological laws and regulations; and various State and Federal permit requirements.
3. The ANTHC will provide technical assistance to the community to develop management capacity for operation and maintenance of the primary care facilities, as appropriate through the course of construction until final inspection of the project.
4. Procurement actions will follow ANTHC's procurement policy in compliance with PL 93-638, OMB-133, 15 CFR, Part 14, and OMB Circular A-122. These requirements will be incorporated into each ANTHC Cooperative Project Agreement with the community and/or the clinic owner.
5. In managing the Commission's small clinic program and specific projects with the other primary care facilities programs, ANTHC and the Commission will strive to develop and identify more projects approved for funding than Commission and partner funding is available in a given fiscal year. The goal is to have project funding used timely.

**E. ANTHC MANAGEMENT FEES:**

Consistent with the Denali Commission's mission to increase the efficiency of delivery of government services and to maximize the percentage of federal funds directly invested in projects in the field, ANTHC will seek to minimize administrative and program management costs associated with this effort.

1. Project costs will include direct costs for planning, design and construction of rural primary care facilities plus a percentage of such costs, as shown in Table B: Project Management Methodology. The ANTHC will offer a menu of project management options for a community and/or clinic owner and operator. The selection will be made by mutual agreement among the parties based on their preference and capacity. Although it is not expected, the Commission may be required to resolve the selection of the project management option, if the parties cannot reach agreement. Each option will require varying levels of project management support from ANTHC, so a sliding scale has been established.
2. Any additional support and services costs for miscellaneous tasks may be outlined in each Financial Assistance Award between the Commission and ANTHC.
3. When ANTHC utilizes options 2-7, the total program and professional operations management fee should not exceed 19.55% of the direct project cost, including management costs from other organizations.

<b>Table B: Project Management Methodology</b>			
<b>Option</b>	<b>Project Management Methodology</b>	<b>ANTHC Program &amp; Professional operations management fee*</b>	<b>ANTHC Central Operations Services fee *</b>
1	Design and construction management by ANTHC	19.55%	8%
2	Design by others and construction management by ANTHC	13.8%	8%
3	Design by ANTHC with construction management by others	13.8%	0%
4	Design and construction management by others with ANTHC as liaison, oversight, and project coordination (no ANTHC on-site personnel)	3.45 %	0%
5	Planning, Master Plans, and Feasibility Studies by others with ANTHC as Liaison, oversight, and coordination	3.45%	0%
6	Project managed by other organizations (e.g. ANTHC pass-through to Regional Health Corporation)	2.3%	0%
7	Code and Condition Surveys	13.8%	0%

**Notes:**

1. \* Initial Values - Subject to mutual agreement in future year financial awards.
2. Costs for ANTHC program and professional operations management fee are additional costs above the estimated project total.
3. Whereas, costs for ANTHC project operations management fee are taken from the estimated project total.
4. For construction contracts (full project or only project sub-components) the ANTHC fee shall be based on the contract award amount.
5. For force account construction (full project or only project sub-components) the ANTHC fee shall be based upon the Code and Condition survey cost estimate. The cost estimate is to be prepared by an independent estimator to be approved by the Denali Commission Project Officer.
6. For Option 7 the costs shall be calculated as follows: (direct cost for A&E services + direct travel expenses, including per-diem for the A&E consultant, ANTHC and regional health corporation staff + 13.8% of the A&E costs [as shown in the table]).

4. In addition to Table B above, the ANTHC will manage the core program to provide project and program management for the health facilities programs. This includes

overall program management, hosting the APCDS database, and reporting requirements as set forth in this Agreement.

5. The basis of the management fees identified in Table B comes from historical project and program management costs for the ANTHC rural sanitation facilities program. This historical information serves as a starting point, however, both parties acknowledge that actual management costs for the rural clinic program must be tracked and used on future Financial Assistance Awards. [Therefore, by July of every year, starting in April 2002, the management costs shall be evaluated with a conclusion drawn by July on any revisions.] It is the expectation of the parties that ANTHC will develop the administrative tools to better estimate the actual management costs for the rural primary care facilities program and all practicable measures will be used to minimize those costs.

**F. COST OVERRUNS, PROJECT DELAYS, AND/OR PROJECT SCOPE REDUCTION:**

The ANTHC will inform the Commission at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions. This will allow both ANTHC and the Commission to pursue supplemental financing on a timely basis, or reduce the project scope to fall within the Commission project financing capabilities.

For "change orders" or increased project costs above the estimated total project cost the following principle shall be applied to both construction contracts and force account construction: a site by site evaluation shall be undertaken to determine if the cause for the change order is due to a changed site condition, acts of God, or other condition that is not under the control and influence of ANTHC. If the evaluation determines that the increased cost is due to a management or design defect attributed to ANTHC professional, para-professional, and/or field construction staff, then ANTHC will prepare a correction action plan in cooperation with the Commission.

**G. INTEREST:**

All Commission funding provided to the ANTHC is eligible for interest accrued to pay for the management of the rural primary care facilities program and for direct project costs. All interest funds will be accounted for (quantity accrued and what the funds were used for) in the quarterly and annual financial reports.

**H. WARRANTY AND BENEFICIAL USE:**

The ANTHC will secure warranties or warrant all project work for one year after startup of the facilities (beneficial use date) or one year from the date of project transfer to the

community provided that project funding remains for the necessary warranty work to the extent that project funding is available.

**I. UNEXPENDED FUNDS:**

The ANTHC will return any unexpended project funds, including accrued interest, (based upon pro rata project contributions) to the Commission at the end of the one-year warranty period or redirect funds to subsequent rural primary care project work effort with the approval of the Commission. In the event a rural primary care project cannot be initiated for any reason; the Commission reserves the right to cancel the project.

**J. REPORTING:**

The ANTHC shall report annually the percentage of total funds (from the Commission and other sources) received used for planning, design and construction of rural primary care facilities, and for ANTHC management fees. In addition, this annual report will include a breakdown on how these funds were used: force account construction (including local labor wages paid, rural Alaska wages paid, and total project wages paid), and construction contracting (including local labor wages paid, rural wages paid and total project wages paid). Additional project reporting requirements will be detailed in the Financial Assistance Awards.

**IV. DURATION OF AGREEMENT**

This Agreement shall continue in force until such time that the ANTHC or the Commission provides written notice of termination - one hundred and twenty days (120) in advance of termination date. The parties understand that resolution of project responsibilities on specific Financial Assistance Awards may take longer than 120 days and negotiation by the parties will be required to mutually arrive at a termination date for each Financial Assistance Award.

**V. OTHER PROVISIONS**

Nothing herein is intended to conflict with existing legal requirements or the basic mission of all the parties. If the terms of this Agreement are inconsistent with basic mission of any of the parties entering into this Agreement, then those portions of this Agreement which are determined to be inconsistent shall be invalid; but the remaining terms and conditions not affected by the inconsistency shall remain in full force and effect. At the first opportunity for review of the Agreement, all necessary changes will be accomplished by either an Amendment to this Agreement or by entering into a new Agreement, whichever is deemed expedient to the interest of all parties.

**MEMORANDUM OF UNDERSTANDING  
ALASKA RURAL PRIMARY CARE FACILITIES**

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MARCH 2001**

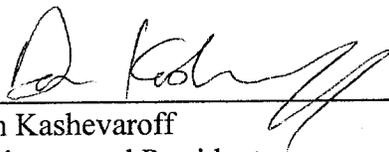
**VI. SIGNATURES**

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

3/20/01  
Date

  
\_\_\_\_\_  
Jeff Staser  
Federal Co-Chair  
Denali Commission

3/20/01  
Date

  
\_\_\_\_\_  
Don Kashevaroff  
Chairman and President  
Alaska Native Tribal Health Consortium