



INDIAN HEALTH SERVICE
American Recovery and Reinvestment Act
Implementation Plan for
Health Care Facilities Construction (\$227 million)

The Recovery Act funds will complete the replacement of two Indian Health Service (IHS) healthcare facilities with more technologically advanced state-of-the-art facilities. The specified \$227 million for IHS Health Care Facilities Construction will complete the replacement of the hospital and staff quarters at Eagle Butte, South Dakota, and complete the replacement of the hospital facility at Nome, Alaska. The two funded construction projects were determined by criteria in the Recovery Act requiring up to two facilities from IHS' current construction priority list for which work had already been initiated. Construction of the Nome replacement facility will be implemented by a direct Federal open competition contract, meeting all respective and applicable laws. A Public Law (P.L.) 93-638 tribal self-determination construction project agreement will be entered into with the Norton Sound Health Corporation (NSHC) for the provision of all equipment and furnishings and architect/engineer (A/E) construction administration services. The Eagle Butte replacement facility construction will be through P.L. 93-638 self-determination construction project agreements, whereby the Tribe will implement construction contracts. The IHS will use up to \$500,000 for administrative costs, project management, and transparency reporting required by the Recovery Act.

a
Funding

Funding Table For Discretionary Programs, Health Care Facilities Construction
(dollars in millions)

Recovery Act funding for health care facilities construction activities

Activities

- Replacement Facility – Nome, Alaska
- Replacement Facility – Eagle Butte, South Dakota
- Administration
- Contingency

Total

| <i>Total Appropriated</i> | <i>Planned Obligations</i> | |
|---------------------------|----------------------------|----------------|
| | <i>FY 2009</i> | <i>FY 2010</i> |
| TBD | TBD | TBD |
| TBD | TBD | TBD |
| 0.5 | 0.1 | 0.4 |
| TBD | TBD | TBD |
| \$227.0 | N/A | N/A |

b
Objectives

accomplishments expected from spending Recovery Act funds

- Complete the replacement facilities at Nome, Alaska, and at Eagle Butte, South Dakota. Design and initial site work for both of these projects are complete.
- Expand service capacity by increasing access to modern health care services at state-of-the-art medical facilities for surrounding American Indian and Alaska Native communities.
- Provide economic stimulus through the creation of jobs.

c
Activities

major categories of work and investment for Recovery Act funds

| Categories for Health Facilities Construction | |
|--|--|
| <ul style="list-style-type: none"> • Nome facility Request for Proposal for construction including site work, steel framing and roofing, building shell, mechanical systems, electrical systems, and appurtenances. | Eagle Butte start Phase I construction with non-Recovery Act funding for site work and foundation. |
| <ul style="list-style-type: none"> • Norton Sound Health Corporation P.L. | Eagle Butte P.L. 93-638 Title-I contract |

| | |
|---|---|
| 93-638 Title-V Agreement for architect/engineer construction contract administration, equipment, and furnishings. | for facility construction including steel framing and roofing, building shell, mechanical systems, electrical systems, and appurtenances. |
| • Nome Purchase Order for Commissioning. | Eagle Butte Title-I contract for Design Build Quarters construction |
| • Nome Purchase Order for Off-Site Utilities with Nome Joint Utility System | Eagle Butte Title-I contract for commissioning. |

d

Characteristics

categories of recipients to perform the work and methods of selection

Types of Recipients

- Tribal governments and/or Tribal Organizations
- Private-sector construction vendors

Types of Financial Awards

- Federal construction contracts and purchase orders
- Tribal P.L. 93-638 construction contracts

Methods of Selection

- These facilities replacement projects were highly ranked on the IHS facilities priority list (a nation-wide assessment of facility condition, capacity, and need). Design was already complete and initial stages of construction had begun. In accordance with Congressional direction, these were the highest ranking facilities replacement projects that met criteria specified in the Recovery Act for these funds.
- The Nome facility construction will be through a direct Federal, open competition contract, meeting all respective and applicable laws. Purchase orders will be issued for the provision of commissioning services and off-site utilities.
- The Norton Sound Health Corporation will provide all equipment and furnishings and A/E construction contract administration services through a P.L. 93-638 self-determination construction project agreement.
- The Eagle Butte facility construction will be through a P.L. 93-638 Title-I self-determination construction project contract, whereby the Tribe will implement construction contracts for the facility and the design and construction of the staff quarters.

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Schedule

timing of major phases of work

| <i>Activities</i> | <i>Initiation Dates</i> | <i>Completion Dates</i> |
|---|-------------------------|-------------------------|
| • Nome facility direct federal Request for Proposal (RFP) solicitation and award | • 4/3/09 | • 7/17/09 |
| • Norton Sound Health Corporation (NSHC) Title-V Construction Project Agreement for A/E construction contract administration services, equipment, and furnishings | • 5/13/09 | • 7/31/09 |
| • Nome ARRA Construction Start and Complete | • 3/1/10 | • 12/31/12 |
| • Eagle Butte Title-I contract for Phase-I construction with non-Recovery Act funding construction start and complete | • 4/20/09 | • 11/30/09 |
| • Eagle Butte Title-I contract for Phase-II remaining facility construction w/Recovery Act funding – Negotiate, execute, and complete all construction | • 5/1/09 | • 12/31/11 |
| • Eagle Butte Title-I contract for Quarters Design Build Contract – Negotiate, execute, complete all design and construction | • 9/30/09 | • 12/31/12 |

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Environmental Review

- All Recovery Act projects will be reviewed for environmental compliance. The Nome and Eagle Butte projects currently comply with National Environmental Policy Act and National Historic Preservation Act and other environmental regulations.
- To satisfy Section 1609(c) reporting requirements of the Recovery Act, the IHS will report the status and progress of the environmental review of all Recovery Act funded projects using the prescribed President’s Council on Environmental Quality format.

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Output and Outcome Measures

how benefits expected from spending Recovery Act funds will be measured

| <i>Outputs</i> | <i>Frequency Measured</i> | <i>Measures Available for Public Access</i> |
|---|---------------------------|--|
| Percent of Recovery Act facility construction funds expended. | • Quarterly | <ul style="list-style-type: none"> • Recovery Act reports on Recovery.Gov • Supplemental information on HHS.gov/Recovery |

Explanation of Measure: The tangible outputs produced by the facility construction projects are two state-of-the-art health care facilities located at Nome, Alaska and Eagle Butte, South Dakota. The new facilities replace older facilities and will expand capacity to serve the current patient population. Construction of complex facilities occurs in phases and contractor payment is tied to completion of each phase. Thus, the percentage of funds expended is closely tied to construction progress. The percent of Recovery Act funds expended will be reported quarterly. The percentage indicator is the cumulative funds expended to-date (numerator) divided by the total project funding (denominator). The completion goal for these complex construction projects is 4th quarter of 2012.

| <i>Outputs</i> | <i>Frequency Measured</i> | <i>Will be posted for public access at</i> |
|--|---|--|
| FTEs created and retained with Recovery Act funds by the construction projects | <ul style="list-style-type: none"> Quarterly | <ul style="list-style-type: none"> Recovery Act reports on Recovery.Gov Supplemental information on HHS.gov/Recovery |

Explanation of Measure: Hospital construction projects create many new jobs. The prime contractors will report quarterly on the number of jobs (FTE) created. In addition to the economic stimulus created during construction, these two projects create many permanent benefits to American Indian and Alaska Native people who live in remote areas with no other sources of health care. The new facilities will serve more patients, provide a wider range of modern health care services, and, over the long run, improve health status in the American Indian and Alaska Native communities.

h

Monitoring

steps to identify risks, high & low performance

All Recovery Act programs will be assessed for risk and to ensure that appropriate internal controls are in place throughout the entire funding cycle. These assessments will be done consistent with the statutory requirements of the Federal Manager’s Financial Integrity Act and the Improper Payments Information Act, as well as OMB’s circular A-123 “Management’s Responsibility for Internal Control.”

- The Unified Financial Management System (UFMS) will record all Recovery Act funds and expenditures and allow program and project managers to monitor financial activity.
- Provision of the Department of Health and Human Services (HHS) Facilities Project Approval Agreements amendments if cost, scope, or schedule increase by 10% or more.
- IHS will incorporate implementation of Recovery Act into its fiscal year 2009 Management Control Plan, which is the agency’s management control system for ensuring compliance with the Federal Managers’ Financial Integrity Act.
- Monitor recipient progress reports at least quarterly or more frequently if required to correct risks.
- Identify deviations from planned schedule or performance.
- IHS gives feedback and corrective measures to contractors as necessary to mitigate risks.

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Transparency

plans to assure Recovery Act implementation is open and transparent to the public

IHS will be open and transparent in all of its contracting competitions and regulations that involve spending of Recovery Act funding consistent with statutory and OMB guidance.

IHS will also ensure that recipient reporting required by Section 1512 of the Recovery Act and OMB guidance is made available to the public on Recovery.gov by October 10, 2009. IHS will inform recipients of their reporting obligation through standard terms and conditions, grant announcements, contract solicitations, and other program guidance. IHS will provide technical assistance to grantees and contractors and fully utilize Project Officers to ensure compliance with reporting requirements.

- Post Recovery Act reports on Recovery.Gov and supplemental information on HHS.Gov/Recovery

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- Post reports enabling the public to see how much Recovery Act funding has been awarded and to whom.
 - Recipients submit Recovery Act reports to a web-based central data portal which routes raw reports to a central national data repository and to the IHS.
 - IHS submits consolidated reports assembled from raw individual recipient reports, e.g., overview of progress of multiple vendors working on a single project.
 - Types of data available to the public:
 - Recovery Act financial data for IHS
 - Recovery Act implementation plans
 - Recovery Act award data
 - Recovery Act program and project level status reports - individually by recipient and collectively synthesized as appropriate.
 - No agency contact or oral communications with registered lobbyists regarding particular Recovery Act projects are allowed.
 - Post any written agency communications with lobbyists to Recovery.Gov
 - All tribal and commercial contracts will include applicable reporting requirements for use of Recovery Act funds.
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Account-ability

steps to hold managers and recipients accountable for Recovery Act implementation

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, IHS will build on and strengthen existing processes. Senior IHS Office of Environmental Health and Engineering program officials will meet regularly with senior Department officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. The personnel performance appraisal system will also incorporate Recovery Act program stewardship responsibilities for program and business function managers.

- Incorporate Recovery Act implementation into IHS fiscal year 2009 Management Control Plan
 - Track quantifiable outcomes and outputs for funded projects
 - Track Recovery Act projects & funds in Unified Financial Management System
 - Track Construction Projects for:
 - Construction schedule, scope, costs, disbursements
 - Facilities performance measures
 - Incorporate Recovery Act implementation in:
 - Director’s Performance Plan and cascade to responsible Recovery Act managers
 - Health Facility Construction Projects comply with rigorous national planning, design, and selection criteria in advance of selection for construction
 - Health Facility Construction Projects comply with:
 - National design standards for health care facilities
 - worker health and safety standards and coverage standards
 - right-of-way and tribal permissions
 - documented scope, budget, and schedule in Facility Project Approval Agreement (HHS Form 300)
 - Projects comply with procurement standards and quality assurance
 - Track and report use of funds for administration
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Barriers to Implementation

potential legal, regulatory, processing capacity or other matters which could impede effective implementation

Health Facility construction projects are complex, multi year projects which include many interdependent sub-projects. Both construction sites are located in remote areas where progress can be limited by logistical bottlenecks and severe climate. Ordinarily, IHS facilities construction funding obligations are staged over the entire period of construction. However, the Recovery Act requires that all Recovery Act funding be obligated no later than September 30, 2010. Funding for equipment and furnishings and a contingency reserve amount for unforeseen costs are normally not obligated this early. This unusual challenge will require special project management, financial, and acquisition steps to comply with the Recovery Act and assure that construction is conducted according to standards.

- The Nome construction schedule could be extended due to uncertainty with procurement, shipping, arctic construction, labor, and other risks at this very remote site located on the Bering Sea.
- The Eagle Butte construction schedule could be extended due to severe winters, labor, and other project risks at this remote site in rural South Dakota.
- The Nome facility will be owned by NSHC on land owned by NSHC.
- The Eagle Butte facility will be Government owned on trust land.

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Federal Infrastructure Requirements

steps toward sustainability, efficiency, and reduced environmental impacts

- Design for both projects was initiated prior to the requirement to meet the Guiding Principles for High Performance and Sustainable Buildings in EO 13423. However, the IHS design criteria for both replacement facilities include many energy efficiency features; and the Tribes have incorporated sustainable design features into the projects. In an effort to meet the requirements of EAct of 2005 and some of the requirements of EO 13423 it was decided to incorporate a geothermal heat pump system into the new facility. Also the EISA stormwater migration will be addressed.
- The Nome facility was designed to meet current energy efficiency criteria. The facility is expected to receive Leadership in Energy and Environmental Design (LEED) certification, which is a prestigious energy savings and sustainability certification issued by the U.S. Green Building Council. The Nome facility is expected to be the first major health care facility in the IHS to obtain LEED certification.
- The Eagle Butte facility will meet many of the current energy efficiency criteria, including utilizing a renewable energy ground source heat pump system for heating and cooling, which will meet ASHRAE 90.1 (2004) and the facility is targeted to be 30% more efficient. The Sustainable Buildings Checklist will be utilized to document all energy and sustainability features of the design at the completion of construction.
- The Eagle Butte facility was targeted to meet current pre site development storm water runoff condition regulations.