CHAPTER 75-5 PRIORITIZATION AND FUNDING OF ENVIRONMENTAL REMEDIATION ACTIVITIES

75-5.1. INTRODUCTION 1
A. Purpose 1
B. Background 1
75-5.2. FUNDING 2
75-5.3. DOCUMENTATION 4
75-5.4. PROCESS 4
A. Submission and Evaluation Timetable 4
B. Proposals 5
C. Evaluation Procedures 5
D. Obligations 6
E. Self-Governance 6
75-5.5. Exhibit 1 - Priority Ratings for IHS Environmental Assessment Process 8

75-5.1. INTRODUCTION

A. Purpose

This chapter establishes the IHS process for funding environmental audits and for prioritizing and funding special studies and projects that derive from the audit process. These procedures utilize a scoring process that considers the relative importance and acuteness of various priority-ranking factors. The results determine the priority or order for funding of studies and projects with available funds.

Funding is available only for work at IHS facilities or at tribally owned health care facilities that provide IHS-funded services.

B. Background

The Indian Health Service (IHS) developed a system for prioritizing findings based on the old FEDPLAN system. The IHS consolidated the eleven FEDPLAN factors into five factors to be considered when setting priorities. These factors, described in Exhibit I, are:

- Risk to Human Health or the Environment
- Investment Strategy
- Regulatory Risk
- Mission
- Public Perception

For the purposes of this Chapter, the word “project” shall be used to mean any scope of work for which Environmental Remediation funding is being requested. Examples include environmental assessments, audits, surveys, or special studies; environmental remediation; development of

O&M plans; training; etc. Also, the word "Area" shall be used to mean IHS Area Office, a tribe, group of tribes, or tribal organization as appropriate.

75-5.2. FUNDING

The ESC will review and prioritize funding requests for work with an overall cost greater than the thresholds specified below. Work costing less than the thresholds will not be prioritized by the ESC but may be prioritized, funded, and managed by the Applicant. Work may be grouped so total cost is above the threshold.

All project development costs necessary to prepare the PSD (surveys, feasibility studies, assessments, document preparation costs, etc.) shall be paid by the Applicant. However, the Applicant may seek reimbursement by including these upfront costs in the Project Summary Document (PSD) or (if costs exceed $1,000,000) Program Justification Document (PJD) requesting funding. Eligible expenditures will be reimbursed only if the project is funded.

All submitted proposals should be under construction within six months of notice of selection for funding by the ESC unless an extension is granted by the Chairperson, ESC. Work should be completed within one year of the start of construction unless an extension is granted by the Chairperson, ESC. Extensions may be requested in the PSD if it is known that these timeframes cannot be met due to anticipated weather conditions, unusually long lead times, etc. These should be indicated in the project schedule included in the funding request.

a. Environmental Assessments

   Environmental assessments to address environmental requirements for Federal actions such as construction, modification, or transfer of facilities will be considered for funding and are subject to a $5,000 threshold.

b. Environmental Audits and Surveys

   Environmental audits and surveys conducted to determine the environmental compliance and deficiencies will be considered for funding and are subject to a $5,000 threshold.

c. Special Studies

   Special studies needed to perform a more in-depth investigation of a specific finding with comprehensive testing, including development of remediation plans and specifications, will be considered for funding and are subject to a $5000 threshold.

d. Remediation

Remediation efforts expected to cost more than $25,000 will be considered for funding. In addition, regardless of amount, funding is available for closed (non-operational) facilities which are not allocated M&I funding by HQ and which require environmental remediation before they can be disposed of.

e. Other

O&M plans, environmentally-related training, etc. will be considered for funding and are subject to a $5000 threshold.

When a project is selected, the Applicant makes a commitment to provide timely progress toward completion of the full scope of work within the total identified funding. The cost estimate should include a line item for contingency and should be a maximum of 15 percent. If the amount to complete the project is not within $5000 (over or under) of the amount requested, the Applicant should submit an amended request to the ESC for consideration.

If costs exceed the estimate by more than $5,000, the Applicant may submit an amended request to the ESC for review. The ESC may, at its discretion, fund the additional requirements. The ESC will not consider requests for additional funding of less than $5,000.

Unexpended funds, greater than $5000, are NOT retained by the Applicant. If the actual cost of the project is more than $5,000 under the estimate, the ESC will initiate a request that IHS Finance recall all unexpended funds not required for project completion, e.g., if the ESC awarded $125,000 for sustainability activities and the Applicant completed all required work for $97,000, then the ESC would initiate a request for return of the remaining $28,000.

If no progress has been made within two years after the funds have been allocated to the Applicant, the ESC will make a determination whether to pull back the funding.

Funds administered by the ESC are NOT available for the following:

- Environmental projects associated with facilities being replaced through the Health Care Facilities Construction Budget;
- Correction of environmentally-related issues related to recently procured buildings and/or land.

Costs associated with demolition are not eligible for these funds, See Chapter 76-1 *Prioritization and Funding of Demolition Activities*.

75-5.3. DOCUMENTATION

A complete PSD/PJD should be submitted to the ESC and will be considered a request for funding of environmental remediation projects. The PSD/PJD should include supporting documentation, findings of studies, and detailed cost estimates. For guidance in preparing a PSD see appropriate paragraphs of Section 13-1.3 of Technical Handbook Chapter 13-1. The PSD/PJD should not include volumes of test and lab results, copies of envelopes, etc.

A memo to the ESC, may be used in lieu of a PSD/PJD when requesting any work specified in Section 75-5.2 above other than remediation. The memo should contain a summary of what will be done, where it will be done, a detailed cost estimate, and an estimated timeline for completion. The memo certifying the need for the proposed work must be signed by the Director, Area OEHE. Additional signatures are at the discretion of the Area.

All PSD/PJD submissions must also contain the following:

- One page executive summary;
- One paragraph description of the project;
- Project number (Bergin Number);
- Building Identifier (Installation Number – Building Number) for each building within the scope;
- Listing (by FEDS number) of all deficiencies that will be corrected/eliminated by the project being proposed;
- PSD Summary Cover addressing the five evaluation factors.

Note: Cost estimates must clearly state how much of each type of funding is being used/requested.

75-5.4. PROCESS

The ESC will evaluate proposals (PSD’s, PJD’s, or memos) for projects that exceed the aforementioned thresholds. The proposals will be numerically scored based on IHS evaluation factors. If funds are available, the highest-ranking proposals within the funds available will be funded.

A. <u>Submission and Evaluation Timetable</u>

Proposals may be submitted at any time and if there is sufficient time for review, scoring, and ranking will be considered at the next ESC meeting. Areas will be notified of upcoming ESC meetings so they have sufficient lead time to prepare and submit proposals to be considered at the upcoming meeting.

B. Proposals

Documentation is as indicated above and should be emailed by the IHS Area Office to the Recording Secretary of the ESC. For the Recording Secretary's contact information, consult the ESC membership list at http://www.dfo.ihs.gov/index.cfm?page=comworkenv.

All documentation related to the funding request, e.g., PSD's or PJD's, status updates, final reports, etc. must be submitted through the applicable Area Office. This includes service units, field locations, non-Federally owned facilities, tribes, etc. For non-Federally owned facilities, tribes are encouraged to consult in advance with their respective Area Office to assure consistency with other submissions.

If there is an emergency, the Area should call the Chairman or Recording Secretary of the ESC for verbal concurrence and then must follow up with required documentation before the funding will be released. An emergency is defined as an active spill or a situation that poses imminent threat to life or limb.

All submissions must be in electronic format. Hard copy will NOT be accepted. The complete package including PSD Summary Cover sheet must be in one pdf file. Name the file with the Area designator followed by the project name and number, e.g., *TU - PSD for Demolition of San Xavier Building 11479-00610 (TU4SX033Z7).pdf*. A file name similar to *AR-M355N_20080215_124141.pdf* is most likely not meaningful to anyone and will not be accepted for review. Incomplete packages and/or packages that do not comply with the above requirements will not be accepted.

C. Evaluation Procedures

Prior to the evaluation meeting, members will first determine if the submission is complete and comprehensive and that a suitable commitment has been made to begin work within six months. Submissions that do not meet these criteria will not be ranked.

The evaluation factors used are:

- Risk to Human Health or the Environment
- Investment Strategy
- Regulatory Risk
- Mission
- Public Perception

These factors are described in Exhibit I.

For proposals ready to be ranked, the members will designate a numerical score for each of the evaluation factors. If a factor is not applicable, it will receive a score of zero. For each proposal, the scores from each of the factors are summed to derive the rater's cumulative project score.

All proposals are then ranked according to the average of all raters' scores. Allowing for Committee discretion, funding will be from the highest ranking downward, until the appropriate funding level is reached.

Funding will be on a first come, first served basis. If more proposals are submitted than funds are available, the ESC will use professional judgment based on the information provided in the submitted documentation and other sources, to determine funding priorities based on risk levels, etc.

If there are insufficient funds remaining to fund a project in its entirety, lower ranking proposals with smaller funding requirements may be funded. However, the ESC reserves the right to hold any unobligated funds for distribution at a future time. The ESC may elect to release only a portion of the total funds needed for a project and will generally be the amount of funds that will be required before the next funding cycle.

Unfunded proposals may be resubmitted by the Area for consideration during future funding cycles.

At their discretion, the ESC may fund a project with a higher priority, partially fund with potential future funding, partially fund with no further funding, etc.

D. Obligations

The ESC will request Advice of funds as soon as practical after the evaluation meeting. Status updates will be periodically requested and reports are required as soon as practical after project completion.

Reports are required for all projects funded through the ESC beginning in July 2006. Further environmental funding will not be awarded to an Area until required reports have been received for completed environmental work. See Technical Handbook Chapter 75-7 *Reporting Requirements for Environmental Remediation and Demolition Projects*.

E. Self-Governance

Tribes or tribal organizations are eligible to submit on the same basis as IHS Area Offices. If awarded, funds will be Adviced to the

appropriate Area Office who will transfer funding to Tribes or tribal organizations via Title I contracts or Title V agreements.

NOTE: The Guiding Principles as stated in the *Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding* require the following with regard to construction and demolition waste:

> During a project's planning stage, identify local recycling and salvage operations that could process site related waste. Program the design to recycle or salvage at least 50 percent of the construction, demolition, and land clearing waste, excluding soil, where markets or on-site recycling operations exist.

In addition, Executive Order 13514, *Federal Leadership in Environmental, Energy, and Economic Performance* requires diversion of at least 50 percent of construction and demolition materials and debris by the end of FY-2015.

75-5.5. Exhibit 1 - Priority Ratings for IHS Environmental Assessment Process

Priority Range	Description
Risk to Human Health or the Environment	
15 - 20	Potential significant human health and/or ecological risk exist, or additional study is required to determine risk. Factors to consider include: number of persons exposed, length of exposure, carcinogen versus non-carcinogen, endangered species, fishery impacts, etc. A potential significant risk generally involves: 1) a documented release or condition that is likely to result in a release; and, 2) a high risk of exposure via groundwater, surface water, air or soil. An example would be a shallow drinking water aquifer or sensitive environmental habitat located in direct vicinity of a leaking tank.
10 - 15	Potential human health and/or ecological risk exist and is medium. A medium risk generally involves: 1) a documented release or condition that may result in a release; and, 2) a potential route of exposure via groundwater, surface water air, or soil. An example would be a nearby drinking water aquifer or sensitive environmental habitat that is not in direct contact with a leaking tank, but could be impacted if the leak is not remediated.
5 - 10	Potential human health and/or ecological risk exists and is low. A low risk generally involves: 1) a documented release or condition that could result in a release; and, 2) a low risk of exposure via groundwater, surface water air, or soil. An example would be the absence of any drinking water aquifers or sensitive environmental habitat in the vicinity of a leaking tank.
Investment Strategy	
10 - 15	Potential return on investment is high by either eliminating economic losses or enhancing economic gains resulting from implementation of corrective actions. Examples include: 1. Findings with a high potential for future liability if actions are delayed. An example would be potential contamination of a sole source aquifer. 2. Actions with monetary payback in three years or less. 3. Significant pollution prevention actions; example- eliminating use of a high hazard substance, such as PCBs transformers.
5 - 10	Potential return on investment is moderate by either eliminating economic losses or enhancing economic gains resulting from implementation of corrective actions. Examples include: 1. Findings with a moderate potential for future liability if actions are delayed. An example is soil contamination by petroleum hydrocarbons where ground and/or surface water could be impacted in the future. 2. Actions with monetary payback between three and five years. 3. Moderate pollution prevention actions; example- substituting a hazardous substance with an environmentally safe substance, such as replacing solvent cleaners with citrus-based cleaners.
1 - 5	Potential return on investment is low by either eliminating economic losses or enhancing economic gains resulting from implementation of corrective actions. Examples include: 1. Findings with a low potential for future liability if actions are delayed. An example would be small amounts of lead paint contamination in soils where no children are exposed. 2. Actions with monetary payback greater than five years. 3. Minimal pollution prevention actions; example- reducing use of moderately hazardous substances, such as oil-based paints.

Regulatory Risk

8 - 10	Funding is critical to achieve compliance schedules and/or consent agreements mandated by applicable environmental laws and regulations.
5 - 8	Funds are required for inventories, assessments, surveys, and studies necessary to define critical program required by existing laws and regulations.
4 – 5	Action is required by laws/regulations, but could be postponed without the facility going out of compliance.
3 - 4	Action is for regulations that have been proposed, but have not yet been promulgated.
1 - 3	Action is not currently required, but may be needed to avoid possible non-compliance in the future.

Mission

7 - 10	Failure to act will significantly affect the facility's ability to perform its assigned mission, meet time-specific agency schedules, sustain an effective environmental program, or delay critical aspects of the program.
5 - 7	Failure to act may degrade a facility's ability to perform missions, meet agency requirements, or maintain the environmental program.
1 - 5	Failure to act will not degrade the facility's ability to perform assigned or projected missions. Funds are desirable to meet general guidance of internal regulations or enhance the environmental program.

Public Perception

7 - 10	Immediate action needed to avoid confrontation with Federal/State/Local/Tribal regulatory officials or the public.
1 - 7	Some action needed to avoid confrontation with Federal/State local regulatory officials or the public.