
OFFICE OF ENVIRONMENTAL HEALTH AND ENGINEERING TECHNICAL HANDBOOK
INDIAN HEALTH SERVICE
VOLUME VI - FACILITIES ENGINEERING
PART 75 - ENVIRONMENTAL AUDITS AND REMEDIATION

**CHAPTER 75-5 PRIORITIZATION AND FUNDING OF ENVIRONMENTAL REMEDIATION
ACTIVITIES**

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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.

B. Background

The Indian Health Service (IHS) Environmental Steering Committee (ESC) is responsible for overseeing the prioritization of and allocation of funds for environmental remediation projects. The procedures described in this chapter 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. The ESC uses five factors when setting priorities. See Section 75-1.4 C on page 5.

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

75-5.2 FUNDING

A. Project Prioritization and Implementation Requirements

The ESC will review and prioritize funding for work with an overall cost greater than the thresholds specified below by project type in section B, "Project Types and Eligibility Criteria." Work costing less than the thresholds will not be prioritized by the ESC but may be prioritized, funded, and managed by the Area Office. Work may be grouped so total cost is above the threshold.

All upfront costs (surveys, assessments, document development costs, etc.) shall be paid by the Area Office and may be reimbursed if included in the Project Summary Document (PSD) or (if costs exceed \$1,000,000) Program Justification Document (PJD) requesting funding. Eligible costs 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.

When a project is selected, the Area 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, which 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 Area should submit an amended request to the ESC for discussion.

If costs exceed the estimate by more than \$5,000, the Area Office 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 Area Office. If the actual cost of remediation is more than \$5,000 under the estimate, and the ESC will initiate a request that IHS Finance recall all funds not required for project completion, e.g., if the ESC awarded \$125,000 for remediation activities and the Area Office 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 Area Office, the ESC will make a determination whether to pull back the funding.

B. Project Types and Eligibility Criteria

a. Environmental Assessments

Environmental assessments to address NEPA requirements for Federal actions such as construction, modification, or transfer of facilities will be considered for funding and are subject to a minimum \$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 minimum \$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 minimum \$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 minimum \$5000 threshold.

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 funds specifically allocated for Environmental Remediation. Funds for demolition are allocated specifically for that purpose and are prioritized in accordance with the guidelines in Chapter 76-1, "*Prioritization and Funding of Demolition Activities.*"

75-5.3 DOCUMENTATION

Requests for funding of projects that do not include environmental remediation may be made by submitting a memorandum to the Chairperson, ESC. The memorandum should contain a summary of what will be done, where it will be done, a detailed cost estimate, and an estimated timeline for completion. This memorandum or an accompanying memorandum must include a statement certifying the need for the proposed work, signed by the Area's Office of Environmental Health and Engineering (OEHE) Director. Additional signatures are at the discretion of the Area.

Requests for funding of projects that include environmental remediation, are made through the submission to the ESC of a complete, signed PSD or PJD. The PSD/PJD should include supporting documentation, findings of studies, and detailed cost estimates. For guidance in preparing a PSD see Technical Handbook Chapter 13-1. For guidance for preparing a PJD see Technical Handbook Chapter 13-2. The PSD/PJD should not include volumes of test and lab results, copies of envelopes, etc.

All PSD/PJD submissions must also contain the following:

- One page executive summary;
- One paragraph summary description of the project;
- Project number (Bergin Number);
- Building Identifier (Installation Number - Building Number) for each building within the scope;
- Listing (by FEEDS 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 in all requests for funding must clearly state how much of each type of funding is being requested.

75-5.4 PROCESS

Members of the ESC will numerically score eligible proposals (PSD's, PJD's, and memos) using evaluation factors in Exhibit 1, "Factor Ratings Evaluations." If funds are available, the highest-ranking proposals within the funds available will be funded.

A. Submission and Evaluation Timetable

A proposal may be submitted at any time; and if there is sufficient time for review, scoring, and ranking, they will be considered at the next ESC meeting following submission. Area Offices will be notified of upcoming ESC meetings so they have sufficient lead time

to prepare and submit PSD's/PJD's to be considered at the upcoming meeting.

B. Proposals

Documentation is as indicated above and should be emailed 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>. For non-Federally owned facilities, tribes should submit proposals through the Area Offices and 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.

C. Evaluation Procedures

Prior to the ESC evaluation meeting, members will first determine that 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 1, "Factor Ratings Evaluations."

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.

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 release the amount of funds that will be required before the next funding cycle.

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

At its 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. Responsibilities

The ESC will request allocation of funds as soon as practical after the evaluation meeting. The Area Office will provide the ESC with a status update of each environmental remediation project upon request. As soon as practical after project completion the Area Office will provide a final report to the ESC.

Final 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 final reports for completed projects have been received by the ESC (see Section 70-5.2, "Final Reports for Environmental Remediation Projects and Demolition Projects"). The Entity that requested the funds is responsible for preparing and submitting an electronic copy of the completed final report to the Recording Secretary of the ESC. The Area Office has responsibility as the Federal agency for ensuring final reports are completed. All final reports shall have the same approval sequence as the PSD/PJD/memo that requested the funds.

E. Self-Governance

Tribes or tribal organizations are eligible to submit proposals for environmental remediation projects on the same basis as IHS Area Offices. If awarded, funds will be allocated to the appropriate Area Office, which will transfer funding to tribes or tribal organizations via Title I contracts or Title V agreements.

Exhibit 1 Factor Ratings Evaluations

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.