
OFFICE OF ENVIRONMENTAL HEALTH AND ENGINEERING TECHNICAL HANDBOOK
INDIAN HEALTH SERVICE
VOLUME VI - FACILITIES ENGINEERING
PART 75 - ENVIRONMENTAL STEERING COMMITTEE AND RELATED ACTIVITIES

CHAPTER 75-9 PRIORITIZATION AND FUNDING OF SUSTAINABILITY ACTIVITIES

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INTRODUCTION

This chapter establishes the Indian Health Service (IHS) process for prioritizing and funding sustainability projects to make progress on sustainability-related goals and requirements. These goals and requirements include, but are not limited to, the following: *The Energy Policy Act of 2005; The Energy Independence and Security Act of 2007; Planning for Federal Sustainability in the Next Decade (Executive Order 13693); Guiding Principles of the Federal Leadership in High Performance and Sustainable Buildings Memorandum of Understanding; The DHHS Sustainable Buildings Implementation Plan; and the DHHS Strategic Sustainability Performance Plan.*

The IHS Environmental Steering Committee (ESC) is responsible for overseeing the prioritization and allocation of funds for environmental compliance, of which sustainability activities are a subset. Funding is available for projects at IHS health care sites and tribally owned health care facilities that are eligible to receive IHS Maintenance and Improvement funding.

For the purposes of this Chapter, the word "project" shall be used to mean any scope of work for which Sustainability funding is being requested. Examples include: replacing existing landscaping with Xeriscape landscaping, installing a solar water heating system, photovoltaic array, etc.

For the purposes of this Chapter, the term "Applicant" shall be used to mean the entity requesting funding, e.g., IHS Area Office or a tribal entity that receives funding through a P.L. 93-638 instrument.

FUNDING

A. Project Prioritization and Implementation Requirements

The ESC will review and prioritize funding requests for construction-type activities with an overall cost greater than \$25,000 or studies with an overall cost of greater than \$5,000. Requests costing less than the thresholds will not be considered by the ESC. Scopes of work may be grouped together to bring the total cost above the threshold.

All project development costs necessary to prepare the 'funding request document' (e.g., 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 cost estimate. Eligible expenditures will be reimbursed only if the project is funded.

All submitted projects should start within six months of notice of selection for funding by the ESC unless an extension is granted by the ESC Chairperson. Work should be completed within one year of the start date unless an extension is granted by the ESC Chairperson. If it is known that the one-year timeframe cannot be met, longer project schedules may be requested in the project documentation. Or, if a project is taking longer than expected, a request to extend the timeframe for the project may be submitted by email to the ESC Chairperson at IHSEnvironmentalSteeringCommittee@ihs.gov.

When a project is approved for funding, the Applicant is committed to provide timely progress toward completion of the full scope of work within the identified funding. The cost estimate should include a line item for contingency, which may not exceed 15 percent.

If costs exceed the funded amount by more than \$5,000, the Applicant may submit a request to the ESC for additional funding. At its discretion, the ESC may fund the additional cost. The ESC will not consider requests for additional funding of less than \$5,000.

Unexpended funds greater than \$5,000 will be returned to IHS Headquarters. For example, 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 to recall the remaining \$28,000.

If no progress has been made within two years after the funds have been allocated, the ESC will determine whether or not to pull back the funding.

B. Project Types and Eligibility Criteria

Sustainability funds are for new or emerging methods and technologies that increase energy efficiency and sustainability of IHS and tribal health care facilities.

Sustainability elements that will be typically considered are energy and water savings related. However, other elements such as reduction of greenhouse gas emissions will be considered based upon their anticipated impact on sustainability or conservation mandates. Following are sample categories and strategies for potential projects:

1. Energy:
 - a. Wind power
 - b. Solar power
 - c. Bio-fuel
 - d. Geothermal energy
 - e. Enhanced metering
2. Water Efficiency, Conservation, and Reduction:
 - a. Solar water heating
 - b. Rainwater capture and utilization
 - c. Xeriscape landscapes
 - d. Enhanced metering

The simple return on investment should be within 15 years. Projects that have a longer return on investment must indicate the added value regarding sustainability or conservation mandates.

Projects incorporating small, low tech solutions, such as low flow faucets, should be bundled with other items of the same nature and be of substantial impact to ensure that the facility will meet the 2025 energy or water savings goal in accordance with Executive Order 13693.

All projects will be assessed on an individual basis for its merits and may or may not be funded by the ESC. Even though a sustainability project type was previously funded, there is no assurance that a similar project will be funded in the future.

A few examples of what sustainability funds are not intended for include:

- Maintenance and repair of buildings.
- Projects where prudent facilities operations practices should have replaced the equipment (e.g. replacement strategies for

- building equipment) or building system (e.g., window replacement, upgrade to control systems, etc.).
- Projects that increase site greenhouse gas emissions or consume fossil fuels.
 - Augmenting capital construction projects incorporating any of the project types listed above.

During the concept development stage for a project, the Area Office staff is encouraged to coordinate with the ESC Secretary on the feasibility of funding proposed projects.

DOCUMENTATION

Requests for funding are made by submission of an IHS Area-approved, three-to-five page Funding Request Document (FRD) to the ESC. The submission should include supporting documentation, summaries of studies, and cost estimates. This document is not approval to construct the project, but rather a funding request to support the project. A Project Summary Document or Project Justification Document may be needed for approval to implement the project.

All submissions must contain the following:

1. Title/Signature page
 - a. Project name
 - b. Project number (Bergin Number)
 - c. Building Identifier (Installation Number - Building Number) for each building within the scope
 - d. Area Office approval at the Office of Environmental Health and Engineering (OEHE) Director level or higher
2. Summary of the evaluation factors to be considered by the ESC (Summary Cover)
3. One page executive summary
 - a. One paragraph summary description of the project or study
 - b. Anticipated project schedule
 - c. Cost estimate for the project detailing funding sources and how much the ESC is being requested to fund
4. Listing of FEDS numbers of the deficiencies that will be corrected/eliminated by the proposed project, as appropriate.
5. Include for each building a:
 - a. Completed Existing Building Assessment Tool with existing score achieved
 - b. Completed Existing Building Assessment Tool with projected score after completion of the project for which funding is being requested

Note: The Existing Building Assessment Tool may be requested from the ESC by email at IHSEnvironmentalSteeringCommittee@ihs.gov.

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Note: Cost estimates in all FRDs must clearly state how much of each type of funding is being requested or projected.

PROCESS

Members of the ESC will evaluate eligible proposals using evaluation factors in Exhibit 1, "Factor Ratings Evaluations." The scoring criteria are used to evaluate the impact of the project on sustainability-related requirements, mandates, goals, and targets.

C. Submission and Evaluation Timetable

A proposal may be submitted at any time; 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 time to notify applicants within their Area, and to prepare and submit Project Funding Document requests to be considered at the upcoming meeting.

D. Proposals

Proposals submitted with documentation as indicated above must be emailed to the ESC Secretary or to IHSEnvironmentalSteeringCommittee@ihs.gov.

All proposals must be submitted through the appropriate IHS Area Office. This includes proposals from service units and tribal entities. For tribally owned or operated facilities, tribes are encouraged to consult in advance with their respective Area Office to assure consistency with other submissions.

All submissions must be in electronic format. Hard copy will NOT be accepted. The complete package including Summary Cover sheet must be in one pdf file. Name the file with the Area designator followed by the project name and number, for example "TU - Demolition of San Xavier Building 11479-00610 (TU4SX033Z7).pdf". Incomplete packages and/or packages that do not comply with the above requirements may be returned.

E. Evaluation Procedures

Prior to the ESC evaluation meeting, the ESC Secretary will determine whether the submission is complete, comprehensive, and that a suitable commitment has been made to begin work within six months. If the six-month window is not feasible, a determination will be made considering the project schedule and extension request. Only eligible proposals that have a complete submittal as specified above will be evaluated.

The evaluation factors used are:

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1. Investment Strategy:
 - a. Return on Investment
 - b. Matching Funds
2. Requirements Compliance
3. Project Type:
 - a. Energy Efficiency and Other Sustainability Elements
OR
 - b. Water Efficiency

These factors are described in Exhibit 1, "Factor Ratings Evaluations."

For proposals ready to be ranked, the ESC 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'.

The 'cumulative project score' is used as a tool for prioritization. Typically, only a few projects that provide the highest return on investment or best address sustainability or energy conservation mandates will be funded annually. The ESC will consider projects based on information provided in the submitted documentation, funding availability, and other sources to determine funding priorities. The ESC reserves the right to hold any unobligated environmental compliance funds for distribution at a future time.

The ESC may elect to release only a portion of the total funds requested for a project and will generally release only the amount of funds that will be required before the next project phase. The ESC may fund a project fully, in phases, partially with potential future funding, partially with no further funding, or not at all. If funded in phases, any single phase of work must produce a complete deliverable, e.g., a feasibility study or project design may be one phase with construction activities as a separate phase. Discrete phases in construction activities may also be considered for phased funding.

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

F. Responsibilities

The ESC will request allocation of funds as soon as practical after the ESC meeting.

The Applicant will provide the ESC with a status update of each sustainability project upon request. All status update requests will be made through the applicable Area Office.

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As soon as practical after project completion, the Applicant will provide a final report to the ESC.

Final reports are required for all projects funded through the ESC (see Technical Handbook Chapter 75-7, *Reporting Requirements for Activities Funded through the Environmental Steering Committee*). The applicant that requested the funds is responsible for preparing and submitting an electronic copy of the completed final report to the ESC Secretary via their respective Area Office. The Area Office has the responsibility as the Federal party for ensuring that final reports are completed. All final reports shall have the same approval sequence as the funding request. Failure to submit the final report for completed projects will be considered as a negative factor on future projects within that Area/service unit or Tribe/Tribal Organization.

After Action Reports are due two years after project completion. The report should include a brief statement about the project scope and expectations, benefits and challenges of the project, indicate the estimated and actual savings, a revised simple payback calculation, recommendations for future projects of a similar type, and have Area approval with the same approval sequence as the approved FRD. These reports will provide IHS with information regarding viability of these new methods and technologies, and are an essential part of this program which provides added value to the IHS.

Projects funded through this program must also be nominated for at least one sustainability or "green" award. Failure to submit the award nomination for completed projects will be considered as a negative factor on future projects within that Area/service unit or Tribe/Tribal Organization.

G. Self-Governance

Tribes or tribal organizations are eligible to submit requests for sustainability project funding on the same basis as IHS Area Offices/service units. If awarded, funds will be allocated to the appropriate Area Office that will transfer funding to the tribal organization through an appropriate funding arrangement.

All proposals must be submitted through the applicable IHS Area Office. For non-Federally owned facilities, tribes are encouraged to consult in advance with their respective Area Office to assure consistency with other submissions.

Exhibit 1 Factor Ratings Evaluations

Investment Strategy

Return on Investment –

Priority Range	Description
15 – 20	Potential return on investment is high by either eliminating economic losses or enhancing economic gains resulting from implementation of corrective actions. Examples include actions with monetary payback in three years or less.
9 – 14	Potential return on investment is moderate by either eliminating economic losses or enhancing economic gains resulting from implementation of corrective actions. Examples include actions with monetary payback between three and five years.
1 – 8	Potential return on investment is low by either eliminating economic losses or enhancing economic gains resulting from implementation of corrective actions. Examples include actions with monetary payback greater than five years. The case for benefits is based mostly on subjective arguments and/or the potential for benefits is low.

Matching funds –

Points will be awarded for any applicant funding applied toward the sustainability portion of the project. Applications will be awarded 2 points for every 10 percent of the sustainability portion of the project cost funded by non-ESC funds up to a total of 50 percent or 10 points. If there are no matching funds, no points will be awarded in this category.

Example 1	The sustainability portion of a project is estimated to cost \$100,000. If the Area is requesting \$50,000 from the ESC and will fund \$50,000 with other funds, they will be awarded 10 points.
Example 2	The sustainability portion of a project is estimated to cost \$100,000. If the Area is requesting \$80,000 from the ESC and will fund \$20,000 with other funds, they will be awarded 4 points.

Requirements Compliance

Priority Range	Description
20	Project brings building into compliance with the Guiding Principles. This equates to a score of 420 or more points on the Existing Building Assessment Tool.
8 – 15	Addresses more than one of the sustainability-related requirements as listed in the Purpose section of this chapter AND significantly increases the Existing Building Assessment Tool score.
1 – 7	Addresses at least one of the sustainability-related requirements as listed in the Purpose section of this chapter AND moderately increases the Existing Building Assessment Tool score.

Project Type –

Energy Efficiency and Other Sustainability Elements

Priority Range	Description
11 – 15	Achieves an energy consumption reduction of greater than 10 percent, or implementation of renewable energy technologies that generate greater than 5 percent of the installation’s energy requirements.
6 – 10	Achieves an energy consumption reduction of 7.5 to 10 percent, or implementation of renewable energy technologies that generate 2.5 to 5 percent of the installation’s energy requirements.
1 – 5	Achieves an energy consumption reduction of less than 7.5 percent, or implementation of renewable energy technologies that generate less than 2.5 percent of the installation’s energy requirements. The case for benefits is based mostly on subjective arguments and/or the potential for benefits is low.
1 – 10 (bonus)	Sustainability projects that Enhance Indoor Environmental Quality and/or Environmental Impact of Materials sections of the Existing Building Assessment Tool.

OR

Water Efficiency

Priority Range	Description
11 – 15	Achieves an indoor potable water consumption reduction of greater than 10 percent, and/or achieves an outdoor potable water consumption reduction of greater than 50 percent. Or installation of an advanced water meter where one did not previously exist.
6 – 10	Achieves an indoor potable water consumption reduction of 5 to 7.5 percent, and/or achieves an outdoor potable water consumption reduction of 20-50 percent.
1 – 5	Achieves an indoor potable water consumption reduction of less than 5 percent, and/or achieves an outdoor potable water consumption reduction of less than 5 percent. The case for benefits is based mostly on subjective arguments and/or the potential for benefits is low.