

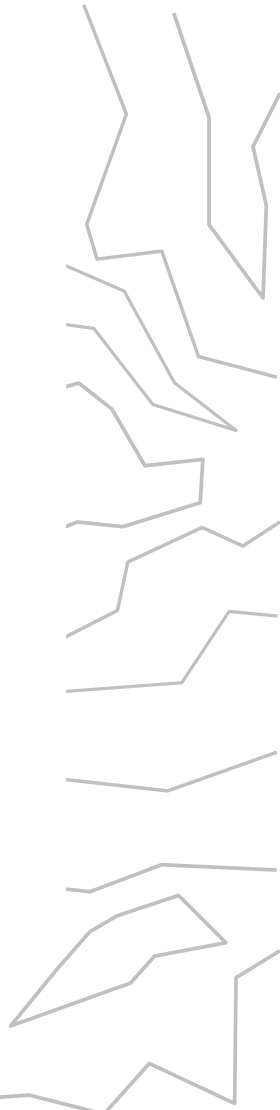
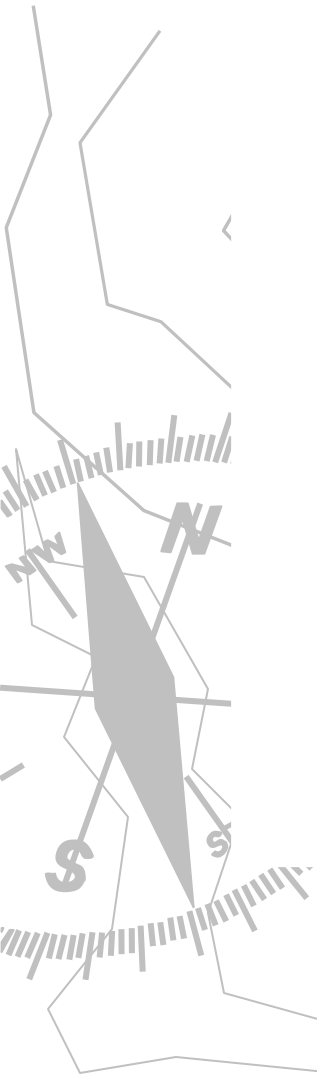


Sanitation Facilities Construction (SFC)

USET Impact Week

February 6, 2023

LCDR Weston A. Kenney, P.E.
SFC Director, Nashville Area IHS





Sanitation Facilities Construction (SFC)



Mission:

The overall mission of the Indian Health Service (IHS) is to raise the physical, mental, social and spiritual health of American Indians and Alaska natives (AI/AN) to the highest level.



Sanitation Facilities Construction (SFC)



- DSFC is a division of the Office of Environmental Health and Engineering (OEHE) within the Indian Health Service
- To support the IHS mission, the SFC Program provides technical and financial assistance to American Indian tribes and Alaska Native villages for cooperative development and continued operation of safe water, wastewater, and solid waste systems and related support facilities.



Sanitation Facilities Construction (SFC)



- Identify health threats caused by drinking water or wastewater / solid waste disposal that can be corrected by engineering and/or construction
- Propose a solution
- Identify and secure funding
- Design
- Implementation
- Provide ongoing technical assistance in the continuing operation of the solution



Sanitation Facilities Construction (SFC)



The Sanitation Facilities Construction program receives two project-related IHS appropriations per year:

- Regular Funds (Existing homes)
- Housing Support Funds (New and Like-New homes)

The IHS uses the following Systems to allocate funding:

- Sanitation Deficiency System (SDS)
- Housing Priority System (HPS)



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Regular Funds

- Distributed via IHS Sanitation Deficiency System (SDS) – [Kickoff Call 2/15/2023](#)
- Projects compete against other Nashville Area projects
- Project score is sum of seven parameters – health impact, deficiency, previous service, capital cost, O&M capability, outside contributions, and Tribal priority



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Housing Funds

- Distributed via IHS Housing Priority System (HPS)
- Project funding distribution based upon documented need
- Home priority: BIA HIP homes, new homes completed in previous fiscal years, new homes to be completed in current funding year, eligible "like-new" homes



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Other Funding Partners

- EPA Clean Water Act (SDS)
- EPA Safe Drinking Water Act
- USDA Rural Utilities
- HUD ICDBG
- More...



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Types of Projects

- Individual Services: individual wells, on-site wastewater disposal, water service connections, sanitary sewer connections
- Community Utilities: new or upgraded community water system, community sewer system, solid waste transfer stations
- Infrastructure Improvements: water/sewer main extensions, lift stations, water treatment facilities, open dump cleanups



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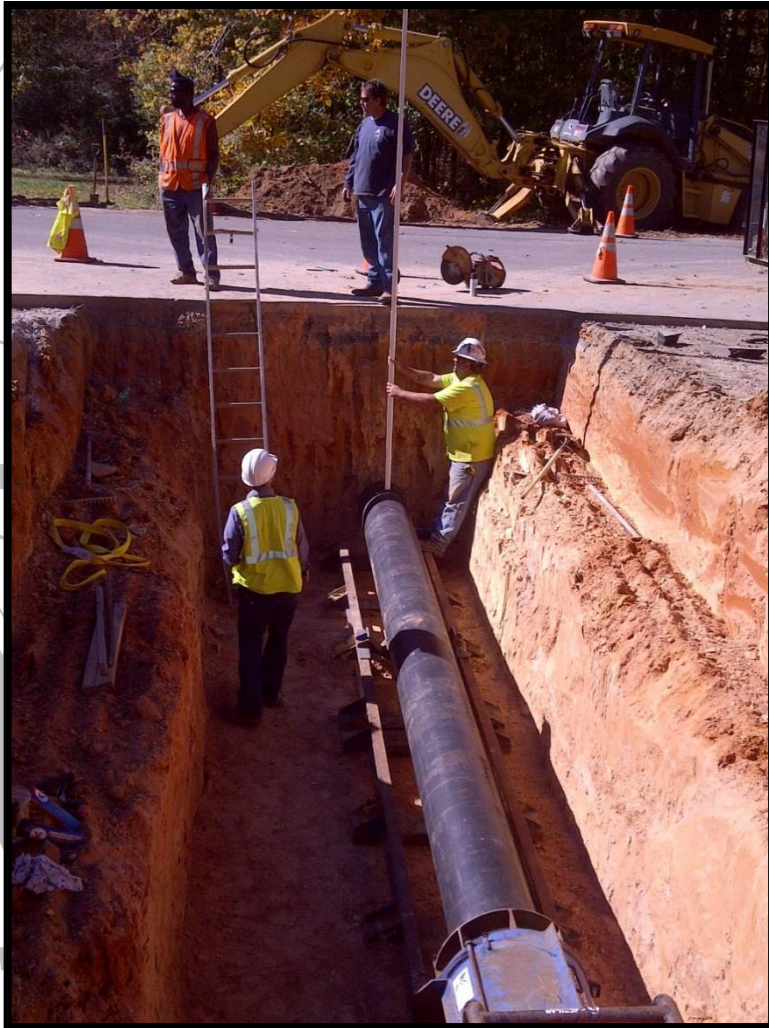


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Housing Project Typical Timeline

Project Documents: Project Summary, Memorandum of Agreement, Environmental Review

Homeowner Applications (ongoing): Determine eligibility of applicant/site, evaluate need, approve application

Design: Perform site specific design, consult environmental authorities, prepare bid package

Construction: Select contractor, oversee work, evaluate payment requests

Follow-up: Homeowner training, warranty inspection



Sanitation Facilities Construction (SFC) Unit Cost Threshold Policy Revision



Appendix B

Appendix B: Total Allowable Unit Cost and Project Feasibility

The IHS Division of Sanitation Facilities Construction developed the total allowable unit costs (also known as threshold unit costs) to provide a basis for determining overall project economic feasibility. In the context of SDS, the eligible unit cost is the eligible cost share of the overall project divided by the number of eligible homes. Allowable unit costs are developed for each state, with the exception of Alaska, which has three regional allowable unit costs to account for geographic differences that impact the cost of construction within Alaska. When a project's eligible unit cost exceeds the allowable unit cost, that project is automatically designated as economically infeasible in SDS.

The total allowable unit costs are based on data from the IHS Health Facilities Cost Index and the Department of Housing and Urban Development's Total Development Cost (TDC). The costs are based on the premise that the reasonable cost of the sanitation facilities to serve a home may be estimated from the actual cost to construct homes and hospital facilities in a particular geographic location. The total allowable unit costs are not intended to reflect the value of sanitation facilities to a homeowner or the savings in health care costs resulting from improved sanitation facilities. Additional detail on the data used to develop the total allowable unit cost follows:

- **IHS Health Facilities Cost Index:** The IHS Division of Facilities Planning and Construction uses the IHS Health Facilities Cost Index to estimate the cost of constructing health facilities at various IHS locations. A consultant developed and routinely updates the IHS index using industry-standard construction estimating methods.
- **Department of Housing and Urban Development's Total Development Cost (TDC):** The Department of Housing and Urban Development, Office of Native American Programs, developed the TDC for affordable housing delivered under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA). The TDC is published for each Tribe and considers costs within the tribally-recognized land base.

The total allowable unit costs published in Table B-2 of this appendix are reviewed by the HQ SFC Program periodically for adjustment when there is a significant increase or decrease within the state. Areas will be notified when adjustments are made to the total allowable unit costs.

In order to evaluate the feasibility of SDS projects, a percentage of the total allowable unit costs by type of facility (water, sewer, or solid waste) and project deficiency level is used for comparison with the eligible unit cost of the project. The percentages used are included in Table B-1 of this appendix. The percentages and the project's resulting feasibility are automatically calculated in SDS.



Sanitation Facilities Construction (SFC) Unit Cost Threshold Policy Revision



Nashville Area Indian Health Service
Office of Environmental Health and Engineering

Sanitation Facilities Construction Program Policy

Policy # 204

Unit Cost Threshold

Latest Revision Date: **June 1, 2023**

Summary of Tribal Consultation in the Policy Development:

- **ver 1.0 - Draft policy presented to the USET Housing Committee on February 6, 2023**

Previous Editions:

This policy replaces the unit cost threshold value that was communicated within the Nashville Area Criteria for Sanitation Facilities Construction policy #204 dated June 6, 2006.

Prepared By:

Weston Kenney, P.E., Director, SFC

Date

Recommended By:

Darrall Tillock, P.E., Director, OEHE

Date

Approved By:

Dr. Beverly Cotton, Director, Nashville Area IHS

Date



Sanitation Facilities Construction (SFC) Unit Cost Threshold Policy Revision



I. Introduction:

Unit costs thresholds, or caps, are necessary to control the maximum amount of housing support funds that will be budgeted and expended to provide sanitation facilities for an eligible home. The previous unit cost cap established for the Nashville Area was \$15,000, as identified in the [Area Criteria for Sanitation Facilities Construction \(SFC\) Services policy defined by an earlier version of this policy as 110% of the Average Unit Cost.](#)

This policy will establish equitable unit cost caps, based upon an accepted national IHS index, for implementation across the diverse landscape of the Nashville Area.

II. National Guidance:

The following national guidelines from the IHS SFC Program are available and shall be used as the foundation for this Area policy.

Criteria for the Sanitation Facilities Construction Program – June 1999.

Sanitation Deficiency System (SDS) Guide for Reporting Sanitation Deficiencies for Indian Homes and Communities – Working Draft – May 2003 September, 2019.

These policies are posted on the IHS/ SFC national website: <http://www.dsfc.ihs.gov/documents.efm/ihs.gov/dsfc/resources>

III. Related Area Policies

The following area SFC policies are referenced within this document and should be used in the interpretation of this policy.

Policy #202 Housing Priority System (HPS) Funding Allocation

Policy # 203 Criteria for Sanitation Facilities Construction Services
([Previous Area SFC policy #1115](#))

IV. Unit Cost Thresholds

This policy utilizes an accepted national IHS index for the establishment of housing support fund unit cost caps; that being the Total Allowable Unit Cost (TAUC) from the SDS National guidelines. The TAUC is currently utilized within SDS to check for the overall economic feasibility of a project. It was developed from the Department of Housing and Urban Development's Housing Construction Cost and the IHS Health Facilities Cost Index. The resultant unit costs are based on the premise that the reasonable cost of the sanitation facilities to





Sanitation Facilities Construction (SFC) Unit Cost Threshold Policy Revision



serve a home may be estimated based on the reasonable cost to construct a home in a particular location (state). See Appendix 1 for details on the methodology used in establishing the TAUC.

The Nashville Area “Average” Unit Cost (AUC) shall be established as ~~4%~~ 75% of the TAUC for that particular state. Calculated unit costs for SFC projects proposed through the HPS process or selected for funding using housing support funds shall not exceed the AUC. All costs charged to the project, including administration, contingencies and technical support shall be included in this unit cost calculations.

A “Maximum” Construction Unit Cost is established as ~~10% greater than the AUC equivalent to the TAUC~~. Expenditures of project funds on a site by site basis (during construction) shall not exceed this maximum amount, without prior approval of SFC Director.

Unit Cost Caps – Nashville Area			
	From SDS National Guidance (September 2019)	Nashville Area Policy (75% of TAUC)	Nashville Area Policy <u>Maximum</u>
STATE	Total Allowable Unit Cost (TAUC)	Average Unit Cost (AUC)	Construction Unit Cost
Alabama	\$96,000	\$72,000	\$96,000
Connecticut	\$127,500	\$95,625	\$127,500
Florida	\$100,500	\$75,375	\$100,500
Louisiana	\$91,500	\$68,825	\$91,500
Maine	\$107,500	\$80,625	\$107,500
Massachusetts	\$148,500	\$111,375	\$148,500
Mississippi	\$93,000	\$69,750	\$93,000
New York	\$124,500	\$93,375	\$124,500
North Carolina	\$100,000	\$75,000	\$100,000
Pennsylvania	\$105,000	\$78,750	\$105,000
Rhode Island	\$126,000	\$94,500	\$126,000
South Carolina	\$97,500	\$73,125	\$97,500
Texas	\$93,000	\$69,750	\$93,000
Virginia	\$103,000	\$77,250	\$103,000

END OF POLICY



Sanitation Facilities Construction (SFC)



Staff

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