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July 22, 2010

Mr. Paul Morrison
Health Facilities Manager
Alaska Native Tribal Health Consortium
Division of Environmental Health and Engineering
1901 South Bragaw Street, Suite 200
Anchorage, Alaska 99508-3440

Re: Funding for cost overruns and additional match re: Koliganek Clinic, Project AN06-GG7, Award 220-06

Dear Mr. Morrison:

In accordance with Financial Assistance Award 220-06 and the 2006 Memorandum of Understanding (MOU) between the Denali Commission (Commission), and the Alaska Native Tribal Health Consortium (ANTHC), this letter provides ANTHC funding in the amount of $359,046.40 for additional costs incurred on ANTHC Project No. AN-06-GG7.

The Koliganek clinic project incurred overruns due to higher than expected costs for freight, mechanical subcontractor and materials, for a total overage of $375,498.84. These higher costs resulted in additional required match funding in the amount of $4,791.96. The ANTHC has a limited amount of unrestricted funding that is available to cover this match. The funding was obtained through sources other than the Denali Commission.

A savings of $16,452.44 will be moved from the construction administration budget to the construction budget. This letter will authorize an additional $359,046.40 from the unobligated balance on this award to this project budget to cover these overages.

If you have any questions, please contact me at 907-271-1779, or nmerriman@denali.gov.

Sincerely,

Nancy Merriman
Health Facilities Senior Program Manager

Betty Sorensen
Grants Administrator

File: Award 220-06 file