

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
SEDGWICK COUNTY, KANSAS,  
AND GRACEMED**

STATEMENT OF UNDERSTANDING

This Memorandum of Understanding (MOU) is made by and between Sedgwick County, Kansas (“County”), and GraceMed Health Clinic, Inc., a health ministry of the United Methodist Church Kansas West Conference (“GraceMed”).

This MOU identifies the roles of each respective party, the guidelines for cooperation, and the fiscal and administrative responsibilities between County and GraceMed for the application and operation of the School-Based Health Center Capital Program (“SBHCC”) Grant (“Grant”) under the Affordable Care Act, funded by the United States Health Resources and Services Administration (“HRSA”).

WITNESSETH:

**WHEREAS**, the Sedgwick County Health Department (“SCHD”) desires to fulfill its role in ensuring local residents access to quality health services, especially those who are uninsured or underinsured; and

**WHEREAS**, capital fund grants in the amount of \$500,000.00 are available to expand existing or build new school-based clinics to qualified applicants, such as local health departments and Federally Qualified Health Centers, such as GraceMed, with whom County has had a long history of collaboration; and

**WHEREAS**, an opportunity exists for County to apply for Grant as a sponsoring organization to enable GraceMed to receive Grant funds for construction of a new school-based health clinic at Jardine Middle School, 3550 Ross Parkway, Wichita, KS 67210;

**WHEREAS**, this MOU reflects the responsibilities for the construction process between the parties and is consistent with state and federal transportation legislation, guidelines, regulations, and procedures;

**NOW, THEREFORE BE IT MUTUALLY AGREED**, in consideration of the premises and mutual covenants and agreements of the parties hereto to be by them respectively kept and performed, as hereinafter set forth, County, and GraceMed agree to as follows:

ARTICLE 1. TERM

This MOU becomes effective when signed by both parties and concludes by August 31, 2014.

ARTICLE 2. GRANT ADMINISTRATION

GraceMed has numerous duties and responsibilities, and may, at its discretion, negotiate for and subcontract with third parties to carry out these duties and responsibilities. GraceMed may seek such contracted services when warranted and in the best interests of County and GraceMed. GraceMed will provide directly, or by contract, those services identified in Attachment A, attached hereto and incorporated herein.

All administrative activities provided or contracted for will be consistent with federal requirements identified in the federal grant guidance, Announcement Number: HRSA-11-127, Catalog of Federal Domestic Assistance (CFDA) No. 93.501.

The parties specifically agree that no grant funds received by the County for the project will be expended until:

- 1) the County has received verification that GraceMed has materialized its portion of the required funding and has been set aside in a special escrow account for this purpose; and
- 2) project cost estimates have been approved by County and GraceMed.

The parties further agree that:

- 1) revised project cost estimates require an increase to the special escrow account prior to expenditure of remaining grant funds by the County and must be approved by all partners;
- 2) the County makes no funding obligations to the project beyond the grant funding, if received – cost overruns must be covered by GraceMed; and
- 3) if the construction project(s) are not completed within the allocated timeframe and the County is required to reimburse to the grantor expended grant dollars, GraceMed is required to reimburse Sedgwick County within 15 days.

### ARTICLE 3. FISCAL AGENT

As Fiscal Agent, County will provide project oversight and perform the financial functions and duties related to Grant, serve as a Pass Through entity, and retain a 1.75% administrative fee.

All architectural, construction/build-out invoices will be submitted by GraceMed to SCHD for payment after being verified by USD 259 and GraceMed. Payments will be made directly from County to third parties. County will perform a quarterly review of cost allocation expenses. Costs incurred by GraceMed for the activities and functions performed under this agreement shall be reimbursed by County in accordance with OMB Circular A-87, revised.

County will follow established accounting procedures for billing and payment of funds.

### ARTICLE 4. PARTICIPANTS AND THEIR ROLES

#### A. COUNTY ROLE AND RESPONSIBILITIES

- a. File Grant application as Sponsoring Organization.
- b. Serve as Fiscal Agent throughout term of Grant, receiving Grant funds reviewing invoices and paying third parties.
- c. Retain a 1.75% administrative fee.

B. GRACEMED ROLE AND RESPONSIBILITIES

- a. Must submit invoices with supporting documentation on timely basis, by the 15<sup>th</sup> of the month following month received. **All invoices must be submitted by July 31, 2014, to ensure payment** by the end of the two-year grant period (09-01-12 thru 08-31-14).
- b. GraceMed shall provide the documentation necessary to fulfill federal grant reporting requirements during the term of the grant.
- c. GraceMed and its collaborative partners and/or contractors will provide the County quarterly reports on project progress.

ARTICLE 5. ADDITIONAL WORK

GraceMed is not authorized to perform, or request payment for, any work that is not included in Grant.

ARTICLE 6. COMPENSATION

The use of federal funds shall be limited to construction of a school-based clinic at Jardine Middle School in Wichita, Kansas.

Any other costs incurred for outside of Grant will not be eligible for reimbursement. At the end of the grant term, unused funds, if any, will be retained by the Health Resources & Services Administration.

ARTICLE 7. DISPUTES

In the event of a dispute between County and GraceMed concerning the work performed hereunder, the parties shall participate in non-binding mediation with a mutually agreed-upon mediator and shall each bear equal responsibility for expenses. No Grant funds shall be used to pay for mediation costs or expenses.

ARTICLE 8. TERMINATION

Either party to this MOU may propose an amendment of any provision(s) herein and such amendment shall become effective upon acceptance thereafter when both parties have subscribed their signatures to the amendment. Either party may terminate this agreement whenever such termination is found to be in the best interest of the party. Termination shall be effected by a party by the conveyance of a written notification thereof to each other party at least ninety (90) days in advance of the effective date of termination. In the event of termination, after County pays those expenses incurred before the Notice of Termination unexpended Grant funds shall be retained by the Health Resources & Services Administration. GraceMed shall incur no further expenses after issuing or receiving a Notice of Termination.

ARTICLE 9. NON-DISCRIMINATION

It is mutually agreed that all parties hereto shall be bound by the provisions of Title 49, Code of Federal Regulations Part 21 provisions of Title VI of the Civil Rights Act of 1964, Title 23, Code of Federal Regulations, and Executive Order 11246 titled "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented by Title 41, Code of Federal Regulations Part 60.

ARTICLE 10. GOVERNING LAW

The laws of the State of Kansas shall govern this MOU and all obligations hereunder.

ARTICLE 11. NON-ASSIGNMENT

This MOU shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives', successors and assigners. Neither County nor GraceMed shall assign or sublet any duty of this MOU, excepting those already identified herein, without written consent of the other party.

ARTICLE 12. SEVERABILITY

Should any provisions of this Agreement for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

ARTICLE 13. ENTIRETY OF MOU

This is the entire MOU between the parties and no modification of this MOU shall be of any force or effect, unless it is in writing signed by all parties. No official, employee, agent, or representative of County or GraceMed has any authority expressed, or implied, to amend this agreement. This MOU is effective and approved on the date of the last signature.

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IN WITNESS WHEREOF, County and GraceMed have executed this Memorandum of Understanding as of this \_\_\_\_ day of \_\_\_\_\_, 2012.

GRACEMED, INC.

  
\_\_\_\_\_  
DAVID SANFORD, CEO

SEDGWICK COUNTY, KANSAS

\_\_\_\_\_  
TIM NORTON, CHAIRMAN  
BOARD OF COUNTY COMMISSIONERS

ATTESTED TO:

\_\_\_\_\_  
KELLY B. ARNOLD  
COUNTY CLERK

APPROVED AS TO FORM:

  
\_\_\_\_\_  
BILL H. RAYMOND  
ASSISTANT COUNTY COUNSELOR



A Health Ministry of the United Methodist Church  
Kansas West Conference

**Corporate Office**

General Phone - 316.866.2000

1122 N. Topeka - Wichita, KS 67214

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## HRSA School-Based Clinic Capital Grant Opportunity

**Opportunity:** Through the Affordable Care Act, HRSA has released guidance for a School-Based Health Center Capital (SBHCC) Program (CFDA No. 93.501). Eligible sponsoring applicants include FQHCs, local school districts and county health departments. The sponsoring agency will be independently accountable to the Federal government for the use of the SBHCC funds and has the legal authority and the ability to administer the SBHCC funds, including independently drawing down, receiving and reporting on the use of the funds. 150 grants of up to \$500,000 each will be awarded by December 1, 2012 and grant funds will need to be spent no later than November 30, 2014.

**Background:** GraceMed currently has four school-based clinics in Wichita. The Healthy Children Clinic (Lincoln Elementary – to be relocated by June 2013 to Gardiner Elementary), Downing Family Clinic (Gordon Parks Academy) and a Dodge Elementary Clinic (to be open in December 2012) are on USD 259 property. A fourth clinic, Evergreen, is adjacent to Cloud Elementary on City of Wichita property, but will be relocated to Cloud Elementary School by June of 2013.

**Proposal:** For this round of federal capital grants, GraceMed proposes submitting four separate SBHCC applications focusing on the schools identified below. Our proposal includes:

- Partnering with the Sedgwick County Health Department to submit a grant to build a new school-based clinic at Jardine Middle School. The Sedgwick County Health Department would be the sponsoring applicant for this application.
- Partnering with USD 259 to submit a grant to build a new school-based clinic at West High School. USD 259 would be the sponsoring applicant for this application.
- Partnering with USD 260 to submit a grant to build a new school-based clinic at Oaklawn Elementary School in the Derby school district. USD 260 would be the sponsoring applicant for this application.
- GraceMed will submit a grant to build a new school-based clinic at South High School. GraceMed would be the sponsoring applicant for this application.

Since Sedgwick County, USD 259 and GraceMed previously submitted successful federal grant applications to fund previous school-based clinic capital projects, most of the application requirements have been completed. Of course, the narrative needs to be changed to reflect the perspective of the sponsoring agency and cost estimates should be reviewed, but the demographic profile and needs assessment work for each of these communities has been completed.

**Clinic Space:** Our grant applications propose a 4,500 sq ft clinic to be built at each site including the following dedicated spaces (see floor plan):

- Six medical exam rooms
- Procedure Room
- Lab & draw station

- Vital signs assessment room
- One dental operatories
- Behavioral health counseling room
- Sterilization room
- Common provider offices (3 providers)
- Medical records room
- Break room
- Men's and Women's restrooms
- Patient lobby

This space would accommodate two medical providers, a dental hygienist and respective support staff.

**Cost:** In our previous federal grant applications, we worked closely with Schaffer, Johnson, and Cox & Frey to estimate the cost to build a 4,500 sq ft. clinic to be ~ \$875,000. This includes \$50,000 for architectural and engineering fees, \$62,000 for site work, \$25,000 for contingencies and miscellaneous costs and \$738,000 for construction. With a federal grant of \$500,000, GraceMed would be responsible for an estimated balance of \$375,000 for each site. There will be no cost to Sedgwick County. To address the balance of funds needed for this project, GraceMed would pursue several options including:

- Capital campaign
- Low interest loans
- Cash reserve

**Request:** GraceMed respectfully requests your consideration to:

- Be the sponsor for a SBHCC federal grant application to build a new school-based clinic at Jardine Middle School.

Thank you for your consideration!

*Dave*

David C. Sanford, CEO  
GraceMed Health Clinic, Inc.