

State of Connecticut
Office of Policy and Management
Request for Applications (RFA)
NONPROFIT AND NONPROFIT COLLABORATION INCENTIVE GRANT
PROGRAMS
Guidelines and Application Instructions

DATE: November 14, 2016

■ **A. INTRODUCTION:**

The Office of Policy and Management (OPM) is accepting applications for the Nonprofit Grant Program (NGP). OPM is also accepting applications for the remaining funds for the Nonprofit Collaboration Incentive Grant Program (NCIP). **The application deadline for consideration for this current round of funding is not later than 4:00 p.m. on January 23, 2017.** The NGP will award Grants-in-aid to selected private, nonprofit health and human service organizations that are exempt under Section 501(c)(3) and receive funds from the State (including Medicaid) to provide direct health and human services to State agency clients. Applications involving a collaboration between two or more eligible nonprofit organizations may also be eligible for award for NGP or NCIP. **Note: NCIP funds are for 501(c)(3) nonprofit organizations currently providing services in Connecticut. NCIP funds do not require that organizations receive funds from the State to provide direct health and human services to State agency clients.**

1. Synopsis:

The purpose of the NGP and NCIP funds are to improve the efficiency, effectiveness, safety and/or accessibility of health and human services being delivered by nonprofit organizations. The eligible projects include facility alterations, renovations, improvements, and additions; new construction (**NGP only**); health, safety and Americans with Disabilities Act (ADA) projects; energy conservation improvements; information technology systems; technology that promotes client independence; purchase of vehicles; and acquisition of property. **Refinancing of facility loans is an eligible expense for NCIP funds only.**

2. Legislative and Funding Authority:

The NGP and NCIP is administered in accordance with:

- [Sections 13](#) of Public Act 13-239, as amended by [Section 87](#) of Public Act 14-98;
- [Section 13](#) of Public Act 15-1, June 2015 Special Session;
- [Section 220](#) of Public Act 16-4, May 2016 Special Session; and
- [Section 4-124v](#) of the Connecticut General Statutes.

The NGP and NCIP are funded by proceeds from State General Obligation Bonds. The State capital budgets for fiscal years 2016 and 2017 include \$10 million and \$25 million, respectively, for the NGP. This current

Request for Applications (RFA) is also seeking applications for the \$359,913 in funds remaining for the NCIP and the approximately \$4 million in NGP funds remaining related to [Public Act 13-239](#) and [Public Act 14-98](#). The amount of funding for this RFA will be contingent, in part, on approval by the State Bond Commission acting in accordance with [Section 3-20](#) of the Connecticut General Statutes.

These Program Guidelines and Application Instructions may be amended at any time determined necessary by OPM.

3. Contract Awards:

Component 1: An amount up to \$9 million in funding, but no more than 25 percent of the total of any NGP funds awarded as a result of this RFA, may be reserved for projects requesting NGP funding in an amount greater than \$1 million and up to and including a maximum of \$3 million, **provided that additional matching funds equal to a minimum of 25% of the NGP award are contributed by the selected applicant.** Matching funds may **not** include other state funds or the inclusion of provider non-cash in-kind contributions.

Component 2: The remaining amount of NGP funding will be for projects requesting up to \$1 million with a minimum project cost of \$35,000. **Note: Organizations applying for funds under Component 1 above may also apply for funds under Component 2, but will not be eligible for selection if they are selected for a proposed award under Component 1. *Components 1 and 2 will be evaluated and ranked separately.*** The Evaluation Committee will not recommend a project for award that does not receive a score of at least **70 points or more** on a scale out of 100 from the committee, or at least **80 or more** points for any project request of more than \$1 million in NGP funds.

Component 3: As indicated, collaborations between two or more eligible nonprofit health and human services providers related to the consolidation or sharing of programs, services or facilities are eligible for funding. One source of funding for this component are NGP funds. The other source of funding is the \$359,913 in remaining NCIP funds. Unless otherwise noted, the same requirements related to NGP funds indicated in these guidelines will also apply to NCIP funds.

Component 3 projects will have to comply with the funding amounts and requirements outlined in Component 1 or 2 and will be evaluated and included in the rankings of the appropriate component (i.e., 1 or 2) depending on the level of funding requested.

The Evaluation Committee or OPM Secretary may recommend or approve awards different than the amount requested by the applicant.

B. ELIGIBLE APPLICANTS, PROJECTS AND COSTS:

1. Eligible Applicants:

Eligible applicants are health and human services organizations that are exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time and that receive funds from the State to provide direct health and human services to State agency clients. As indicated, applications involving a collaboration between two or more eligible nonprofit organizations may also be eligible for award. NCIP funds do not require that the applicant receive funds from the State to provide direct health and human services to State agency clients.

2. Program Priorities and Eligible Projects:

The NGP is for capital projects or items that achieve or address at least one of the two following priorities. The NCIP gives priority for item a. below.

- a. Improving or enhancing the efficiency or effectiveness of nonprofit providers delivering health and human services, which efficiencies include maximizing third-party or federal funding (i.e., Medicaid) or reimbursements for these services.
- b. Addressing documented need for health, safety and ADA improvements of nonprofit providers delivering health and human services.

The following capital projects or items will be considered, provided they address one of the priorities as outlined above.

Facility Improvements, New Construction or Property Acquisition:

- Facility alterations, renovations, improvement and additions
- New construction. (**NGP only**)
- Property or facility acquisition.
- Improvements related to health, safety (including installation of sprinklers and security systems) and compliance with Americans with Disabilities Act.
- Energy conservation improvement projects, including HVAC and other systems.
- Refinancing of facility loans. (**NCIP only**)

NOTE: Applications for Facility Improvements, New Construction or Property Acquisition projects (or Refinancing of Facility Loans with NCIP funds), as defined above, must include a completed (Modified) Lien Analysis in Part 2, Section K. of the application in order to be reviewed by the Evaluation Committee. Applications that do not include a completed (Modified) Lien Analysis will be automatically disqualified.

Equipment, Technology and Vehicles:

- Information technology projects, with examples including encryption or client confidentiality projects, Electronic Health Records and other health information technology systems, and systems that help maximize third-party or federal funding or reimbursements (i.e., Medicaid) for these services.
- Technology that promotes client independence.
- Generators (Note: Generator projects that include renovations to properties that will improve their value should be submitted as facility improvement projects). Minor work on a fuse box related to a portable generator would not, for example, constitute a renovation that would change the value of a facility or property.
- Purchase of vehicles.
- Capital equipment needed to enhance efficiency or effectiveness or facilitate a collaboration between two or more eligible nonprofit organizations.
- **For Component 3 applications only.** Relocation expenses related and part of physical consolidation being funded in whole or in part by NGP or NCIP funds.

C. NON-ELIGIBLE COSTS, LIMITATIONS AND DISBURSEMENT OF FUNDS

Non-Eligible Costs Include:

- Procurements, items or any costs not eligible to be financed by bond funds.
- Interior or exterior painting unless part of a larger improvement.
- Furniture, copiers or similar equipment unless part of a larger improvement.
- Supplanting of Funds. Funds received for any project under the grant program must be used to supplement and not supplant, any federal, state, private or other funds received for the project.
- Staffing or operating costs.
- Utilities, supplies, ordinary repairs or maintenance
- Costs to pay permit fees related to federal, state and local laws, ordinances and regulations and property, sales taxes, registration or emission fees related to vehicles are not eligible NGP expenses.
- Any costs incurred prior to grant award contract execution.

Limitations Include:

- For projects involving facility improvements, alterations or renovations or property acquisition (or Refinancing of Facility Loans with NCIP funds), the requested funds shall be less than the current market value of the property minus: (1) any liens on the property; (2) amounts received from prior NGP/NCIP grants for this property; and (3) any outstanding mortgage balance. In the case of new construction (**NGP only**), it would need to be demonstrated, to the satisfaction of the State, that the fair market value of the new facility and associated

land would exceed the total amount of: (1) any liens on the property; (2) amounts received from prior NGP/NCIP grants for this property; (3) any outstanding mortgage balance; and (4) any new NGP/NCIP funds awarded as a result of this RFA.

- Provisions regarding related party transactions shall be treated the same as in [OPM's Cost Standards](#).
- Architectural fees limited to no more than 10% of total project costs; applicant may submit justification, based on project complexity, to exceed this percentage.

Disbursement of Funds:

- Work to be funded from the NGP and NCIP cannot begin until the contract has been signed/executed by the Secretary of OPM. OPM shall reimburse grantees subsequent to grantees certifying project expenses have been paid by the grantee. OPM shall email forms for grantees to use to request reimbursement from the State of Connecticut after contracts have been signed/executed by the Secretary of OPM.

D. OFFICIAL STATE NGP APPLICATION CONTACT (i.e. Official State Contact) and INQUIRY PROCEDURES:

The Official State Contact is:

Valerie Clark, MPA
Fiscal Administrative Manager
Office of Policy and Management
450 Capitol Avenue
Hartford, CT 06106
Telephone: (860) 418-6313
E-mail: valerie.clark@ct.gov

The Official State Contact is available to answer procedural questions or provide information regarding the NGP and the application process.

Please Note: For those planning to submit an application and following the submittal of any application, any questions related to the application should be directed solely to the Official State Contact.

E. APPLICATION TIMEFRAMES:

- 1. Application deadline:** This application must be completed and submitted in a PDF format by e-mail to the address provided below **not later than 4:00 p.m. on January 23, 2017:**
OPM.NGPAplications@ct.gov

- 2. Questions and answers regarding Program Guidelines and Application Instructions and the Application Form:** Potential applicants can submit questions related to these Program Guidelines and Application Instructions and the Application Form to the Official State Contact through e-mail (valerie.clark@ct.gov), which questions must be received by the Official State Contact **not later than 4:00 p.m. on**

December 5, 2016. These questions and the related answers will be posted on OPM's [website](#) and DAS's [website](#) **not later than 4:00 p.m. on December 30, 2016.**

- 3. Selection and award process:** OPM, and/or the Evaluation Committee, plans to post information regarding the anticipated timeframes related to the selection and award process as this information becomes available. It is anticipated, depending, in part, on the number of applications received, that applicants will be notified about the status of their application not later than **May 22, 2017**. It is the State's goal to have grant award agreements with selected applicants completed no later than **July 21, 2017**.

F. APPLICATION CONTENTS AND INSTRUCTIONS:

The application for this funding program is located on [OPM's website](#) under the link for Request for Proposals and posted on the [DAS website](#). Applications may also be obtained from the **Official State Contact**.

1. Application Contents:

- Part 1 – Participant Profile (One per applicant*)
- Part 2 - Project Application (One for each project)

***NOTE: For Component 3 applications involving a collaboration between two or more eligible nonprofit organizations, each organization that is a part of such collaboration must submit a separate Part 1, Participant Profile. In addition, the provider with whom the State would enter a grant award agreement must be identified in Part 1.**

2. Part 1 – Participant Profile Instructions:

- A. Organizational profile and information—e.g. name of contact person, address, 501(c)(3) status.

Note: Applicants must submit with their application a letter from the U.S. Internal Revenue Service indicating their exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, in order for their application to be considered by the Evaluation Committee. Applications not containing this letter will be automatically disqualified. Please attach letter as an appendix to Part 1 of the application.

- B. Description of provider organization and services provided.

- C. List of State health and human service contracts or agreements in current year, including State agency name, dollar amounts and summary of program types.
- D. 1) Forms. The following required forms must be attached to application if they are not on [BizNet](#).
 - a) State of Connecticut, Nondiscrimination Certification (Rev. 07-08-2009) ([Form 1](#)).
 - b) State of Connecticut, Acknowledgement of Contract Compliance, Notification to Bidders ([Form 2](#)).
 - c) State of Connecticut, Contract Compliance Monitoring Report (Parts I-V) ([Form 3](#)).
- 2) Financial Audits. Applicants will be asked if they have State Single Audits for the most recent two fiscal years posted on OPM's website. If the answer is no, applicants will be contacted following the application deadline with instructions as to the submittal of these State Single Audits. If the State Single Audits are not available, submittal of independent financial audits and the IRS Form 990 (Return of Organization Exempt from Income Tax) for the two most recent fiscal years will be requested following the submittal of the application. **(Note: Please do not submit these financial audit documents with your application; instructions will be sent to you in this regard)**. Failure to submit this financial information in accordance with the instructions provided could result in the application being disqualified.
- 3) – 5) General Information and Questions
- E. Appendices—IRS 501(c)(3) Letter (**required**) and required forms if they are not on [BizNet](#).
- F. Certification of Application.

3. Part 2 – Project Application Instructions (*Note: one application per project*):

A separate Project Application form must be submitted for each project. In this regard, by way of example, an organization seeking funding for 1) the implementation of an electronic medical record (EMR) system and 2) the renovation a kitchen would need to file separate Project Applications (one for the EMR system and the one for the kitchen renovation) since these are unrelated projects. However, an EMR system involving multiple locations would be considered to be one project. With

respect to generators, if a provider is seeking to purchase generators for multiple locations and none of the purchases include renovations to properties that will improve their value, the purchase of the generators can be submitted as one project. Similarly, if a purchase of vehicles is part of a larger program of purchasing or replacing vehicles, it could be submitted as one project.

Project Application forms for projects involving Facility Improvements, New Construction or Property Acquisition (see definition in Section B.2.) must be submitted separately for each location.

- A. Name and type of the Project.
- B. Amount of funds requested and amount of matching funds for NGP project funding requests over \$1 million.
- C. Identification of the health and human services provided by your organization to be impacted by the project.
- D. Purpose and Description of Project
- E. A schedule of activities for the project, including anticipated dates.
- F. A line-item project budget and narrative, including all funds.
- G. A description of the non-NGP/NCIP funds to be used for project, including the sources and availability of these other funds, including any required matching funds.
- H. A list of Procurements (e.g. facility improvement, construction or renovation project, equipment or vehicle purchases) needed for the project and **a justification and description of methodologies used to develop cost estimates for each purchase**. With respect to these procurement costs and estimates:
 - i. **Facility Improvements, New Construction or Property Acquisition projects as defined in Section B.2 of these guidelines (as well as any refinancing of facility loans related to NCIP funds only).**
The justification or description of the methodologies used to develop cost estimates must be provided; however, it is only after being selected for a grant award that applicants will be required to conduct competitive procurements for facility improvements or new construction.
 - ii. **Equipment, Technology and Vehicles:** An applicant may use a price quote from a vendor or website to help calculate the amount of the grant funding request. Only after being selected

for a grant award will applicants be required to conduct competitive procurements to select a vendor.

- I. The increases or decreases in revenues or expenses projected for each year over a three year period as a result of the project, *compared to current expenses and revenues*, **must be provided**.
- J. The improvements in service effectiveness, capacity, safety, the accessibility, or in other areas to be achieved as a result of project **must be provided**.
- K. Property Values and (Modified) Lien Analysis for Facility Improvement, Property Acquisition, and New Construction (**NGP only**) projects.

NOTE: The (Modified) Lien Analysis in this section must be completed for Facility Improvement, New Construction or Property Acquisition (or Refinancing of Facility Loans with NCIP funds) projects as defined in Section B.2 in order for the application to be considered by the Evaluation Committee. Applications not containing this analysis will be automatically disqualified.

- L. Questions for Facility Improvements, New Construction or Property Acquisition projects only.
- M. Appendix to Part 2:
 - Municipal Assessment Cards
 - Formal agreement to purchase if applicable.

4. Clarifying Information.

Applicants may be requested by the Official State Contact or the Evaluation Committee to submit clarifying information related to their application as well as additional information as may be required by the Official State Contact, the Evaluation Committee, the OPM Secretary or the State Bond Commission.

G. APPLICATION FORMAT AND SUBMITTAL OF APPLICATIONS:

1. Application Format:

- Part 1 – Organizational Profile. Only one Organizational Profile is required regardless of how many projects you are submitting and should be placed at the beginning of an organization’s submittal. **NOTE:** For applications involving a Component 3 collaboration between two or more eligible nonprofit organizations, each nonprofit organization that is a part of such collaboration must submit a Participant Profile. In addition, the provider with whom the State would enter a grant award agreement must be identified in Part 1.
- Part 2 – Project Application(s). Project applications, separated by project, should all be placed following the Part 1- Participant Profile.

NOTE: A sample application, for formatting purposes, is included on [OPM’s NGP website](#).

2. Submittal of Applications: Applicants must submit **all** of the **following to e-mail address OPM.NGPApplications@ct.gov** by the application deadline indicated in Section E.1 of these guidelines:

- A full, complete and signed PDF copy of the application, properly formatted and including all attachments must be submitted and be ready for review by the Evaluation Committee. **Unsigned applications will not be evaluated.**
- The IRS Letter 501(c)(3) and all the required forms and appendices (if not on BizNet).

NOTE: Please see Section F.2.D related to financial audit requirements.

H. EVALUATION AND SELECTION OF APPLICATIONS; GRANT AWARD

- 1. Evaluation Process.** OPM will conduct a comprehensive, fair, and impartial evaluation of applications received. Due to the anticipated large number of applications, an elimination round may be implemented by the Evaluation Committee utilizing selected evaluation criteria contained in these guidelines.
- 2. Minimum Submission Requirements.** Only applications deemed to be responsive to these instructions and requirements will be evaluated. Responses deemed unresponsive in regard to following these instructions will be disqualified from the evaluation process. At its sole discretion, the Evaluation Committee may allow applicants to correct applications in order to ensure minimum submission requirements are met.

NOTE: Failure to submit the application by the deadline or the following documents will lead to automatic disqualification from the evaluation process:

- a) The letter from the U.S. Internal Revenue Service indicating your organization’s exempt status under Section 501(c)(3) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time.**

b) For Facility Improvements, New Construction or Property Acquisition (or Refinancing of a Facility Loan using NCIP funds) projects, as defined in Section B.2, the Lien Analysis included in Part 2, Section K of the application must be filled out completely.

3. Evaluation Committee. The OPM Secretary will designate an Evaluation Committee to review, rate, and score eligible applications meeting the minimum submission requirements. The members of the Committee shall include at least one staff member from OPM and two or more representatives from State Purchase of Service agencies. The Committee will be able to use non-voting “programmatic and technical advisors” from state agencies or outside entities, as appropriate, to assist, as needed, in reviewing the programmatic and technical aspects of proposals.

4. Evaluation Criteria

<p>(a) Preference will be given to providers headquartered in the state. 5 points</p>
<p>(b) Return on the NGP/NCIP Investment. Demonstrated efficiencies or improvements in terms of cost savings, service effectiveness and/or in meeting critical health, safety and accessibility needs, with priority given to projects improving the efficiency or effectiveness (including increasing third-party or federal revenues or reimbursements for services) of the delivery of health and human services to state clients utilizing state funds. Net cost savings and service improvements must be quantified to determine the return on the investment. The amount or level of savings and/or improvements will be considered, in part, in comparison to the amount of the State funding of and/or number of State clients served by the affected programs. 35 Points</p>
<p>(c) Non-NGP/NCIP Funds. The extent to which the application contains funds in addition to the NGP/NCIP funds requested. Potential sources of these other funds include those provided by the applicant or by federal or private sources. These funds should be those that have been already secured or will be readily available in order to ensure project completion in a timely manner. The evaluation committee will take into account that infrastructure funding from federal sources may be more available for some program or service types compared to others. NOTE: For applications for projects greater than \$1 million, up to a maximum of \$3 million, supplemental matching funds equal to a minimum of 25% of the NGP award are required. The matching funds may not include other state funds or non-cash provider in-kind services. 10 Points</p>
<p>(d) Fiscal Stability and Sustainability. Demonstrate fiscal stability and show sustainable funding in the out years. 15 Points</p>
<p>(e) Quality of application in terms of project plans and description and reasonableness and accuracy of cost estimates and project budgets. 30 Points</p>
<p>(f) Affirmative Action and Equal Employment Opportunity. Compliance with applicable requirements by the provider. 5 Points</p>

- 5. Meetings with Applicants.** The Evaluation Committee may request a meeting with an applicant in order to gain a better understanding of the application. The meeting may involve a site visit. If the Evaluation Committee decides such a meeting is warranted, the Official State Contact will notify the applicant and provide detailed procedures for the meeting. An applicant must not use a meeting with the Evaluation Committee to supplement, improve, or amend the application. At its sole discretion, OPM may invite only certain applicants to meetings and may limit the number of attendees per applicant.
- 6. Recommendations by the Evaluation Committee.** Upon completing its evaluation of applications, the Evaluation Committee will submit its written recommendations to the Secretary of OPM. The Evaluation Committee may recommend none, all or part of any application to the Secretary of OPM. The Evaluation Committee will not recommend a project that does not receive a score of at least **70** points or more on a scale out of 100 from the committee, or at least **80** or more points for any project request of more than \$1 million in NGP funds.
- 7. Selection by Secretary.** The final selection of any application is at the discretion of the Secretary of OPM. The OPM Secretary has full discretion to accept or reject, in whole or in part, any funding recommendation submitted by the Evaluation Committee. The award of any grant pursuant to this program is dependent upon the review and approval of OPM.
- 8. Notification by OPM.** Applicants will be notified by OPM as to the status of their applications both for awards and non-awards. Any selected applicant notified by OPM for an award will be given an opportunity to enter into a grant award contract with the State. As part of this process, the applicant will be required to submit such additional information and documentation as required by OPM (see Section I. of these Guidelines and Instructions).
- 9. Grant Administration.** If a grant is awarded, OPM or another state agency selected by OPM will seek to execute the grant award contract with the successful applicant and to oversee the grantee's implementation of the approved project(s). If OPM is not a party to the contract with the grantee, OPM will continue to exercise its statutory authority related to the overall direction and implementation of the program. The contract is executory and no final commitments can be made until the contract is approved by OPM.
- 10. Freedom of Information Act.** Applications submitted are the sole property of the State. Applicants are encouraged NOT to include in their applications any information that is proprietary. Applicants are advised that all materials associated with an application are subject to the terms of the Freedom of Information Act (FOIA), the Privacy Act, and all rules, regulations, and interpretations resulting from them. The FOIA generally requires the disclosure of documents in the possession of the State upon request of any citizen, unless the content falls within certain categories of exemption.

If the information is not readily available to the public from other sources and the applicant submitting the information requests confidentiality, then the information is generally considered to be "given in confidence." If the applicant indicates that certain documentation is submitted in confidence, by specifically and clearly marking said documentation as CONFIDENTIAL, OPM will endeavor to keep said information confidential to the extent permitted by law. OPM, however, has no obligation to initiate, prosecute, or defend any legal proceeding or to seek a protective order or other similar relief to prevent disclosure of any information pursuant to a FOIA request. The applicant has the burden of establishing the availability of any FOIA exemption in any proceeding where it is an issue. In no event shall OPM or any of its staff have any liability for disclosure of documents or information in the possession of OPM which OPM or such staff believes to be required pursuant to the FOIA or other requirements of law.

- 11. Conflict of Interest.** A conflict of interest exists when a relationship between an applicant and a public official (including an elected official) or State employee may interfere with fair competition or may be adverse to the interests of the State. The existence of a conflict of interest is not, in and of itself, evidence of wrongdoing. A conflict of interest may, however, become a legal matter if an applicant tries to influence, or succeeds in influencing, the outcome of an official decision for personal or corporate benefit. Applicants are required to disclose any current business relationships (within the last three years) that pose a conflict of interest. OPM will determine whether the conflict of interest poses a substantial advantage to the applicant over the competition, decreases the overall competitiveness of the application, or is not in the best interests of the State.

I. INFORMATION AND DOCUMENT REQUIREMENTS-POST SELECTION

If selected for a possible grant award, the applicant will be required to submit additional documentation (listed below) within 90 calendar days after OPM's Official Contact sends the applicant written instructions to do so. Failure to comply within the time stated above could result in forfeit of the award. A description of some of the information, depending on the nature of the project that may be required is included below.

NOTE: [OPM's website](#) lists the documents that would be required only if this project is chosen for an award. It is not required to submit this additional documentation with the application. For those applicants selected for a possible grant award, OPM will issue instructions at the conclusion of the evaluation process for submitting the additional documentation.

- 1. Certified Resolution.** The applicant must submit a certified resolution, adopted by the Board of Directors, authorizing the Executive Director or other designated representative to act on behalf of the Board of Directors to undertake the particular project awarded under this program.
- 2. Documentation from the Secretary of State's Office that you are up to date with report filings under your full legal name. Documentation from the Department of Consumer Protection that you are registered or that you have an exemption for this registration requirement.**

3. Facility Improvements, New Construction, Property Acquisition or all other projects associated with Section B.2 (A):

a) Appraisals. If the NGP funding for the project is less than \$150,000, one independent appraisal conducted by a MAI-Certified appraiser, is to be prepared and submitted. If the NGP funding for the project is \$150,000 or more, OPM may require that a second independent appraisal be prepared and submitted. The second appraisal, if required, may be done by the financial institution that grants a mortgage, unless the financial institution is the owner of the facility. Any appraisal submitted in fulfillment of the requirements of these instructions must have been prepared within the previous 365 days.

b) (Modified) Lien Analysis Form. (Form 4) If the current value of any liens on the property, plus the (anticipated) mortgage balance, plus the requested funding amount exceeds the current market (appraisal) value of the property, grant funds for a project will either be, at the state's option, reduced or not awarded. In the case of new construction, the applicant would need to demonstrate, to the satisfaction of the State, that the fair market value of the new facility and associated land would exceed the total amount of: (1) any liens on the property; (2) amounts received from prior NGP/NCIP grants for this property; (3) any outstanding mortgage balance; and (4) any new NGP/NCIP funds awarded as a result of this RFA.

c) Environmental or Inspection Report. The applicant must provide an environmental or inspection report on the facility regarding the presence of lead paint, asbestos, radon, underground storage tanks, or other environmental hazards, including the ramifications of removal or abatement.

NOTE: Removal or abatement costs of potential hazards must be taken into account and addressed as part of the grant application. The majority of pre-1978 construction contains lead paint. If a facility is to be used for residential purposes, strict guidelines concerning lead paint apply if a child age six or under will be living at the facility.

d) Owner Statement and proof of ownership.

e) Mortgage Commitment Agreement. *As applicable.* Successful applicants (grantees) must provide the State administering agency with a copy of the fully executed mortgage commitment agreement. This is not a letter of intent, but an actual commitment.

f) Owner Approval. *For Facility Improvements.* The owner's written approval of the improvement project is required for each applicant-leased or applicant-owned facility including proof of ownership. In the case of a State-owned property, the applicant should obtain this approval from the State agency.

g) Agreement to Purchase. *Property Acquisition*

h) Other, as deemed necessary by OPM.

J. GRANT AWARD CONTRACT

OPM, or the state agency selected by OPM to administer the grant funds, will execute a grant award contract with the successful applicant, which contract shall outline the amount of the grant, the work to be done and the state's terms and conditions. These terms and conditions shall include, but not be limited to, requirements with respect to:

- 1. Code Compliance.** All improvement projects must comply with all State or local fire, health and safety codes. Applicants must submit documentation that the facility and site meets (or will meet) all applicable licensing, local and State zoning, building, fire health, and safety codes for the anticipated use of the facility.
- 2. Insurance.** Grantees must require that all contractors bidding on and undertaking facility improvement, alteration or renovation projects obtain:
 - a) Builder's risk insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the value of the completed project;
 - b) Commercial general liability insurance, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits of no less than \$1,000,000 per occurrence; and
 - c) Worker's compensation coverage as required by State Statute.

Grantees shall provide certificates of insurance to the State for such coverage prior to the start of the project and prior to any request for any payment from the State under this program. The State may, upon request and at its sole discretion, waive or modify one or more of the insurance requirements.

Wherever possible, the State shall be named as an additional insured in such policies. Requirements for builder's risk insurance, general commercial liability and worker's compensation insurance coverage must be stated in the written specification used to solicit bids from contractors. If the selected contractor is a sole employee and, therefore, does not carry worker's compensation, the Grantee must document this in the project records.

- 3. Performance Bond.** For all improvement projects where the selected contractor's bid is greater than or equal to \$250,000, a performance bond in favor of the State and in an amount not less than 50% of the bid (covering the labor and material of the selected contractor for the improvement project) must be submitted and on file with the State administering agency prior to payment of invoices. The requirement for a performance bond must be stated in the written specification used to solicit bids from contractors.

4. Equipment, Vehicle and Technology Ownership and Control.

Grantees shall own any equipment or vehicles purchased with grant funds. Grantee shall maintain any technology licenses for any software purchased. Grantees must document ownership and usage, and maintain these documents so they are available to the State administering agency. The Grantee (owner) will be responsible for the proper insurance, licensing and permitting, and maintenance of all purchases. Grantees must maintain a property control record for each equipment item with the following information: (1) date of purchase; (2) name and address of vendor; (3) year, make, and model of equipment item; and (4) serial number.

5. Change of Ownership or Tenancy. Grantees must notify the State administering agency immediately of any plans to change corporate ownership or use of any facility or property purchased or improved under this grant program or in the Grantee's IRS 501(c)3 nonprofit status, as such changes affects that status of the Grantee's bond fund contract with the State.

6. Competitive Procurements. All procurements must be competitive, with written bids, except for (1) a property acquisition or a land purchase associated with new construction or addition project and (2) if a vendor has proprietary services or patent rights. Requests to waive the competitive procurement process may be submitted to the State administering agency for review and approval with an explanation and supporting documentation for such waiver request.

7. Repayment for Facility Improvement, New Construction or Property Acquisition Projects. If the Grantee discontinues use of the facility or property improved or acquired through this project, the Grantee acknowledges and expressly agrees to make repayment to the State of the amount received for the project, which repayment requirement shall be reduced by 10 percent for each full year the facility or property is in operation and use by the Grantee beginning with the final payment under the award. If required by State law, a lien related to the 10 year repayment requirement shall be filed in the land records of the town in which the facility or property is located in the manner required by the State. The Grantee would be required to pay the cost of any such filing.

8. Repayment for Equipment, Technology and Vehicle Purchases. Each Grantee must commit to the continued use of any equipment, technology or vehicle purchased with grant funds for not less than five years. The Grantee shall return to the State a declining amount (20% each year) during the five-year period for any discontinued use. Discontinued use shall include situations in which the equipment, technology or vehicle is rendered unusable by damage caused by an accident or other cause and is not replaced by the Grantee.

The grant award contract shall also include provisions regarding matters such as fiscal control and reporting, audits, budget modifications, progress reports, methods to request reimbursement for project expenses, return of unexpended funds and/or disallowed costs, and project close-out.