

**State of Connecticut**  
**Office of Policy and Management**  
**NONPROFIT GRANT PROGRAM**  
**Fiscal Year 2015 Guidelines and Application Instructions**  
**DATE: April 8, 2015**

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■ **A. INTRODUCTION**

The Office of Policy and Management (OPM) is accepting applications for the Nonprofit Grant Program (NGP). **The application deadline for consideration for this current round of funding is not later than 4:00 p.m. on June 26, 2015.** 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 that receive funds from the State to provide direct health and human services to State agency clients. The purpose of the NGP is to improve the efficiency, effectiveness, safety and/or accessibility of health and human services being delivered by nonprofit organizations under contracts with or funding from State agencies, including Medicaid. The eligible projects include facility alterations, renovations, improvements, additions, and new construction; 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.

The NGP is administered in accordance with Section 19 of Public Act 13-239, June 2013 Session, as amended by Section 87 of Public Act 14-98. The NGP is to be funded by proceeds from State General Obligation Bonds. The amount of funding for this current round of applications is anticipated to be approximately \$30 million, of which up to \$12.5 million may be reserved for projects requesting NGP funding in an amount greater than \$1.0 million and up to and including a maximum of \$3.0 million, provided that supplemental matching funds equal to a minimum of 25% of the NGP award are contributed by the selected applicant. The remaining amount of the anticipated approximately \$30.0 million will be for projects requesting up to \$1.0 million in NGP funding with a minimum project cost of \$35,000. The proposed funding for this program is subject to review and approval of the State Bond Commission in accordance with Section 3-20 of the Connecticut General Statutes

The award of any grant pursuant to this program is dependent upon the review and approval of OPM.

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

**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.

## 2) Eligible Projects

The NGP is for capital projects or items that achieve or address at least one of the two following priorities:

- 1) Improving or enhancing the efficiency or effectiveness of health and human services delivered by health and human services organizations
- 2) Addressing documented need for health, safety and ADA improvements for which other funding sources are not readily available

The following capital projects or items as allowed by Public Act 13-239, as amended by Section 87 of Public Act 14-98, will be considered, provided they address one of the above priorities, including:

### A) Facility Improvements, New Construction or Property Acquisition

- Facility alterations, renovations, improvement, additions and new construction
- Property 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

**NOTE: Applications for Facility Improvements, New Construction or Property Acquisition projects, 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.**

### B) Equipment, Technology and Vehicles

- Information technology projects, including encryption or client confidentiality systems
- 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 under (A), above). 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.
- Acquisition and upgrades to electronic health or medical records and other health information technology systems; and
- Purchase of vehicles

### 3) 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.
- 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 Facility Improvements, New Construction or Property Acquisition projects, 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 grants for this property; and (3) any outstanding mortgage balance.
- 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 project costs; applicant may submit justification, based on project complexity, to exceed this percentage.

#### ***Disbursement of Funds:***

- Work to be funded from the NGP 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 post forms for grantees to use to request reimbursement from the State of Connecticut after contracts have been signed/executed by the Secretary of OPM.

### 4) Grant Amounts

- a. Up to \$12.5 million may be reserved for projects requesting NGP funding in an amount of greater than \$1.0 million, but no more than \$3.0 million; however, applications for these awards **must** include **supplemental** matching funds equal to **at least** 25% of the NGP award. Matching funds

may not include other state funds or the inclusion of provider non-cash in-kind contributions.

- b. For the remaining funds, grant awards will be limited to no more than \$1.0 million for any award or nonprofit provider per year. \$35,000 minimum cost per project. **Note: Organizations applying for funds under B.4)a., above may also apply for projects up to \$1.0 million under this category, but will not be eligible for selection if they are selected for a proposed award of more than \$1.0 million in accordance with B.4)a. Applications submitted in regard to B.4)a. (i.e. NGP funding requests over \$1.0 million) and those submitted under this subsection B.4)b. will be evaluated and ranked separately.**
- c. The Evaluation Committee or OPM Secretary may recommend or approve awards different than the amount requested by the applicant.

#### **C. OFFICIAL STATE NGP APPLICATION CONTACT PERSON (i.e. Official State Contact) and INQUIRY PROCEDURES**

##### **The Official NGP Application Contact is:**

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

#### **D. APPLICATION PROCESS TIMEFRAMES**

- 1) **Application deadline for this round of funding:** Applications for this round of funding are due to the following address **not later than 4:00 p.m. on June 26, 2015:**

Office of Policy and Management  
450 Capitol Avenue  
MS# 54FIN  
Hartford, CT 06106  
C/o Valerie Clark, Office of Finance

- 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, which questions must be received by the Official State Contact **not later than 4:00 p.m. on April 29, 2015**. 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 May 27, 2015**.

- 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 November 20, 2015. It is the State's goal to have grant award agreements with selected applicants completed no later than January 14, 2016.

## **E. APPLICATION CONTENTS AND APPLICATION FORM**

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)

#### **Part 1– Organizational Profile: Contents**

- 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. Required forms, audits, questions and other information.

1. The following form forms must be included if 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
  - a) State Single Audits Completed for the most recent two fiscal years (unless posed on the [OPM Website](#))  
or
  - b) Independent financial audits and the IRS Form 990 (Return of Organization Exempt Form Income Tax) for the two most recent years only accepted by email to [Valerie.clark@ct.gov](mailto:Valerie.clark@ct.gov).
  
- 3 - 5. General Information and Questions
  
- E. Certification of Application.
  
- F. Appendices—IRS 501(c)(3) Letter (required) and required forms (if they are not on [BizNet](#)).

## **Part 2 - Project Application** (*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. On the other hand, 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 which purchases do not include renovations to properties that will improve their value, the purchase of the generators can be submitted as one project.

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

**Contents of Part 2- Projection Application:**

- A. Name and type of the Project.
- B. Amount of NGP funds requested and amount of matching funds for NGP project funding requests over \$1.0 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:
  - 1) Purpose of project and
  - 2) the work to be completed
- 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 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 project and **a justification and description of methodologies used to develop cost estimates for each purchase**. With respect to these procurement costs and estimates:
  - 1. Facility Improvements, New Construction or Property Acquisition projects as defined Section B. 2) A) of these guidelines:** 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.
  - 2. 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 will 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 five 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, 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, New Construction and Property Acquisition projects, **Only**

**NOTE: The (Modified) Lien Analysis in this section must be completed for Facility Improvement, New Construction or Property Acquisition projects as defined in in Section B. 2) A) 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 as defined by Section B.2)A), only.
- M. Appendix to Part 2:
- Municipal Assessment Cards (as required by Section K., above)

## **2. 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.

## **F. APPLICATION FORMAT; SUBMITTAL OF APPLICATIONS: ORIGINAL COPY AND COPIES.**

### **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.
- 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: COPIES AND ORIGINALS.** Applicants must submit the following by the application deadline indicated in Section D. 1) of these guidelines:

- One (1) original paper application with original signatures and clearly marked on the cover as “Original.” **Unsigned applications will not be**



**evaluated.**

- Four (4) conforming paper copies of the original application.
- The original application and each conforming paper copy of the application must be complete, properly formatted and ready for review by the Evaluation Committee.

**G. 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. As indicated, NGP requests of over \$1.0 million submitted in regard to Section B.4)a. and those submitted in accordance with Section B.4)b. will be evaluated and ranked separately.
- 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 or complete the following documents will lead to automatic disqualification from the evaluation process:**

- a) Submittal of one original copy and four conforming copies of the application by the application deadline (both date and time);**
  - b) 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**
  - c) For Facility Improvements, New Construction or Property Acquisition projects, as defined in Section B. 2) A), 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 POS 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

<b>Evaluation Criteria</b>	
(a)	<b>Preference</b> will be given to providers headquartered in the state.
(b)	<b>Return on the NGP Investment.</b> 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 efficiencies and/or service improvements benefitting State agency funded programs and clients. Net cost savings and service improvements <b>must</b> be quantified to determine the return on the investment. The amount or level of savings and/or improvements will be considered in comparison to the amount of the State funding of and/or number of State clients served by the affected programs.
(c)	<b>Non-NGP Funds.</b> The extent to which the application contains funds in addition to the NGP 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. <b>NOTE:</b> For applications for projects greater than \$1.0 million, up to a maximum of \$3.0 million, supplemental matching funds equal to a <b>minimum</b> of 25% of the NGP award are required. The matching funds may not include other state funds or non-cash provider in-kind services.
(d)	<b>Fiscal Stability and Sustainability.</b> Demonstrate fiscal stability and show sustainable funding in the out years.
(e)	<b>Quality of application</b> in terms of project plans and description and reasonableness and accuracy of cost estimates and project budgets.
(f)	<b>Affirmative Action and Equal Employment Opportunity.</b> Compliance with applicable requirements by the provider.

**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 receives a score below 70 points on a scale out of 100 from the committee, or below 80 points for any project request of more than \$1.0 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.
- 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 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 H. 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 the Office of the Attorney General.
- 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.

## H. 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.

- 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.

- g) Agreement to Purchase. *Property Acquisition***

- h) Other, as deemed necessary by OPM.**

## I. 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 value of the completed project;

- b) Commercial general commercial liability insurance, including products and completed operations, property damage, bodily injury and personal and advertising injury with limit 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.