



FY 2021 American Rescue Plan - Health Center Construction and Capital Improvements (ARP-Capital) HRSA-21-114 Post-Award Overview

October 6, 2021

Office of Health Center Investment Oversight (OHCIO)

Bureau of Primary Health Care (BPHC)

Vision: Healthy Communities, Healthy People



Agenda

- American Rescue Plan (ARP) Capital Award Overview
- Notice of Award (NoA) Terms and Conditions
- Reporting Requirements
- Other Considerations
- Questions

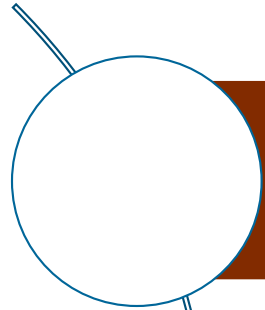


ARP-Capital Purpose

To support construction, expansion, alteration, renovation, and other capital improvements to modify, enhance, and expand health care infrastructure.

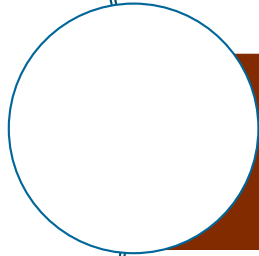


Award Information

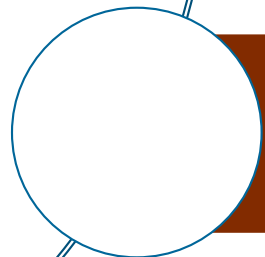


Total Funding : Over \$954 million

Total Awards: 1,292



3-year period of performance (9/15/21 – 9/14/24)



Up to 5 projects per application

Administrative Notes

- HRSA Activity Code: C8E
- Separate PMS sub-account code located in the bottom right of the Notice of Award (NoA)
- Funds must be accounted for and reported separately from section 330 funds
 - If other sources of funding exist to support the ARP-Capital project, ARP-Capital funds should be drawn down in the same proportion as the grant is to total project costs in the approved budget.
- A folder for the C8E grant has been created for your organization's EHB portfolio
 - The Authorized Official needs to ensure that they have added the ARP-Capital grant to the portfolio and that the correct staff are assigned to roles and functions
 - The following EHB Help Resource can guide you through this processes:
<https://help.hrsa.gov/display/public/EHBSKBFG/Video+-+How+to+Add+a+Grant+to+the+EHBs+Portfolio>



Project Types

Construction of a New Facility

- New building structure
- New stand-alone structure

- Example – construction of a new standalone service delivery site

Construction/Expansion (C/E) of an Existing Facility

- Adds square footage and/or includes significant site work

- Examples – expansion of a new pharmacy wing; addition of a covered driveway for patient drop off

Alteration/Renovation (A/R) of an Existing Facility

- Involves renovations to an existing facility that does not increase square footage of the facility

- Examples – modernizing facility interior; reconfigure existing space to add new exam spaces that support additional patient capacity

Equipment Only

- Loose, moveable equipment not affixed to the physical building structure, and with a useful life of more than one year

- Example – purchase of new clinical equipment; purchase of a mobile van



Use of Funds

Project Activity	Permitted
Construction related activities associated with a project or connected activity (e.g., installation of utilities, demolition) that starts before the award date	No
Pre-construction costs (architect's fees and consultant's fees necessary to the planning and design of the project) incurred dating back to January 31, 2020.	Yes
New sites across all project types	Yes
Purchase of new or replacement mobile medical vans	Yes



Unallowable Costs



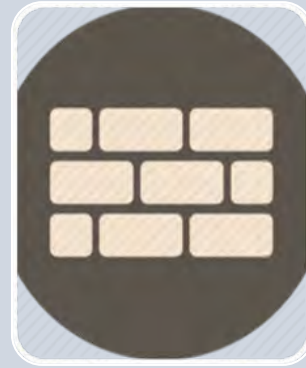
EHR initiation, ongoing operations and maintenance



Health center operating costs, rent, mortgage payments, refinanced credit facilities



Construction related activities associated with a project or connected activity that starts before the award date



Creation of shell space for future use



Facility, land, or passenger vehicle purchases other than mobile medical vans



Costs for staff not directly related to the implementation of the proposed project(s)



Creation or improvement of space for use that is not consistent with the Health Center Program

Fund Sources for the Same Project

- ARP-Capital funding may not supplant or displace other resources (federal, state, local, or private funds).
- The same capital project (defined by project scope and project site address) may not be funded by both ARP-Capital funding (C8E) or other BPHC funding, including ARP Funding for Health Centers (H8F) grants or Health Center Program operational (H80) grants.

Roles – HRSA Program Contact

- The NoA identifies the HRSA Program Contact for your ARP-Capital grant who are the Program Team Leads. These grants will be reassigned to a new HRSA Program Contact who will be contacting you shortly.
- The Program Contact provides guidance on overall programmatic objectives
 - Reviews and processes revised budgets, schematics, concept/site plans, and timelines
 - Reviews and processes prior approval requests (i.e., changes to project scope, project period extensions)
 - Provides ongoing program/project monitoring and technical assistance
 - Closeout



Roles – Grants Management Specialist

- The NoA for the grant also identifies the HRSA GMS for your ARP-Capital award. The GMS establishes, and utilizes effective lines of communication in order to convey definitive answers to budgetary, and other grant management concerns.
 - Provides ongoing financial and grants management monitoring and technical assistance
 - Reviews federal interest, lease documentation, revised budgets and any other grants management related submissions or conditions
 - Reviews annual Federal Financial Reports (FFR)
 - Closeout



Electronic Document Submission in EHB

- Award recipients are required to submit all documentation identified as a condition of award or reporting requirement on the NoA into HRSA's Electronic Handbook (EHB) by the designated due date.
- By default, the recipient's Project Director as shown on the NoA will have access to all EHB submissions
- All other users must be given privileges to view, edit, or submit by the Project Director or other user with the ability to Administer User Privileges in the Grant Handbook
- HRSA Program or Grants Office Personnel may also request other information through the EHB by either requests for information or additional conditions.
- Please be sure to check your EHB queue on a frequent basis to verify if additional information is needed.

****Failure to respond to submissions in a timely manner may result in drawdown restriction****





NOTICE OF AWARD (NoA) TERMS AND CONDITIONS

Key Terms

Federal Interest

Force Account Labor

Pre-Award Costs

Use of New and Improved Space

Restricted Funds

See the Capital Development webpage for information on Federal Interest and Force Account Labor:
<https://bphc.hrsa.gov/program-opportunities/capital-development>



Before Starting Work on the Project

- Review all terms and conditions in the Notice of Award (NoA)
- Do not begin construction or draw down funds for demolition, site preparation, or construction activities for a site until all grant conditions for the project have been approved and are lifted in a revised NoA
- Award Recipients may only incur costs or draw down funds to pay for related non-construction activities shown in their approved budget and to meet conditions:
 - Completing architectural and engineering plans
 - Meeting licensing and permitting requirements
 - Historic preservation consultation with the State Historic Preservation Office/Tribal Historic Preservation Office
 - Preparing the Environmental Assessment



Typical Program-Related Conditions of Award

Environmental and Historic Preservation Compliance

- Due: 120 days of the NoA

Budget Information

- Due: 60 days of the NoA

Schematic Drawings

- Due: 60 days of the NoA

NOTE: The Program Contact will contact awardees to provide information to assist with addressing conditions.



Less Common Conditions of Award

Project Timeline

- Due: 60 days of the NoA

Confirmation of a Single Project

- Due: 60 days of the NoA

Project Type Confirmation

- Due: 60 days of the NoA

NOTE: The Program Contact will contact awardees to provide information to assist with addressing conditions.



Grants-Related Conditions of Award

Other Sources of Funds

- Due: 60 days of the NoA

Property Documentation

- Due: 60 days of the NoA

Landlord Letter of Consent

- Due: 60 days of the NoA

Notice of Federal Interest

- Due: 120 days of the NoA

NOTE: The Grants Management Specialist will contact awardees to provide information to assist with addressing GMS conditions.



Conditions: Environmental and Historic Preservation

- Within 120 days of NoA, provide additional information to demonstrate compliance with all Federal environmental and historic preservation laws for the proposed project
- The HRSA Environmental Reviewer will contact awardees to identify information needed for the specific project, such as:
 - Environmental Assessment (EA)
 - Consultation under Section 106 of the National Historic Preservation Act
 - Hazardous materials survey
 - Coastal Zone Consistency Determination
 - Floodplain Management
- Additional information can be found on the HRSA NEPA/HP TA Webpage:
<https://bphc.hrsa.gov/program-opportunities/capital-development/environmental-preservation-ta>



Condition: Revised Budget Information

- Within 60 days of the NoA, submit budget information for each site-specific project
- Components of the submission may include:
 - SF 424C
 - Budget Justification
 - Equipment List
- Sample templates and forms can be found on the ARP-Capital TA Webpage:
<https://bphc.hrsa.gov/program-opportunities/ARP-Capital>



Condition: Schematic Drawings

- Within 60 days of NoA, submit revised schematic drawings for each site-specific project and, if exterior work is proposed, a site plan showing project location. Some common omissions / corrections that may be required:
 - Distinguish improved space from unaffected space
 - Include a scale and linear dimensions for each room/area
 - Note the total net and gross square footage of space to be renovated
 - Indicate any changes or additions to existing mechanical and electrical systems
 - If applicable, show location of the project within the overall facility and exterior improvements on the site plan

Conditions: Other Sources of Funds

- Within 60 days of the NoA, the award recipient must submit information all other sources of funding for the total project
- The description provided should include information on the status/certainty of the other sources of funding
 - If the award recipient has secured additional sources of funds, they will need to provide the source that identifies its security.
 - For example a bank commitment letter would be needed; if additional sources of income is provided by a bank loan.

Conditions: Landlord Letter of Consent

- Within 60 days of the NoA, the award recipient needs to submit a signed Landlord Letter of Consent Statement of Agreement and the Lease/Occupancy Documentation
 - The Landlord Letter of Consent (LLOC) must be submitted with same language provided within the template
- Template is available at:
<https://bphc.hrsa.gov/programopportunities/fundingopportunities/capdev.html>



Conditions: Notice of Federal Interest

- Within 120 days of the NoA, the award recipient must submit a Notice of Federal Interest (NFI)
- The federal government always retains interest in property constructed, acquired, or improved with federal funds (submission of the NFI remains enforced during active, and inactive status):
 - All Construction/Expansion (C/E) projects must file a Notice of Federal Interest (NFI), regardless of award amount, you are required to file a NFI.
 - Alteration/Renovation (A/R) projects with total (federal and non-federal) costs more than \$500,000 (excluding moveable equipment) must file a Notice of Federal Interest (NFI)
- Applicants not required to file an NFI (A/R projects with total federal and non-federal costs less than \$500,000)
 - ✓ Federal Interest still exists
 - ✓ Maintain documentation regarding protection of all Federal Interest
- Additional resources are available at: <https://bphc.hrsa.gov/program-opportunities/funding-opportunities/capital-development>



Other Grants-Related Conditions

- Property Documentation
 - Within 60 days of the NoA, the award recipient must submit documentation (deeds, titles, local land records, etc.) describing ownership of the property.

Leasehold Improvement Requirements

- Funds may not be used to pay lease costs
- Funds for a leased property cannot address needs that are part of the terms of the lease (i.e., the responsibility of the lessor)
- If funds address improvements that would impact terms of the lease (e.g., double paned windows) applicants must have written evidence of negotiated offset in the rent
- The Landlord Letter of Consent/Statement of Agreement from the facility owner must address the following:
 - Approval of the scope of the project
 - Agreement to provide the applicant health center reasonable control of the project site for required number of years
 - Agreement to file a Notice of Federal Interest (NFI) in the land records of the local jurisdiction before the project begins (if applicable)





REPORTING REQUIREMENTS

Reporting Requirements Overview

- Each project will require the following submissions:
 - Quarterly Progress Reports
 - Project Implementation Certification
 - Project Completion Certification (also applicable to equipment-only projects)
 - Photographs
 - Final Budget Submission
 - Financial Report
 - Tangible Personal Property Report (SF-428)
- Templates are available on the Capital Development webpage at <https://bphc.hrsa.gov/program-opportunities/funding-opportunities/capital-development>



Capital Grant Progress Reports (due quarterly)

- Capital Grant Progress Reports due quarterly starting January 1, 2022
- Health Center should includes information on the progress of the planning and implementation of the project(s).
- Additional information on the Capital Grant Progress Report requirement can be found at <https://bphc.hrsa.gov/program-opportunities/capital-development>
 - Capital Grant Progress Report Manual
 - Capital Grant Progress Report Quick Guide
 - Capital Grant Progress Report video – walkthrough of the submission process
- A separate Technical Assistance Call will be scheduled in early January in preparation for the first Capital Grant Progress Report for the C8E grant



Federal Financial Reports (FFR)

- Federal Financial Report (FFR)
 - Reviewed by Grants Management Specialist
 - Includes:
 - ✓ Federal Financial Report SF-425 submitted annually in the Payment Management System (PMS)
 - ✓ Federal Cash Transaction Report submitted within the Payment Management System (quarterly)

Closeout and Property Reports

- Closeout documentation is required within 90 days of the completion of the ARP-Capital project
- The closeout documentation consists of the following items:
 - Project Completion Certification
 - ✓ A certificate of occupancy or evidence of acceptance by the permitting authority
 - ✓ A certificate of substantial completion
 - Final budget information
 - Photos of the completed project (including before, during, and after photographs)
 - Final Federal Financial Report (FFR)
 - Tangible Personal Property Report (SF-428)

OTHER CONSIDERATIONS



Grants Management Reminders

- Grant funds can only be used for your approved ARP-Capital project. Costs drawn down for items that were not described in your approved budget are subject to audit disallowance
- If significant changes to the budget are needed, grantees may submit a Prior Approval through the EHB
- All requested changes must be approved before grantees undergo modifications

****Grant funds cannot be used to cover operational costs or other items not allowable under the ARP-Capital program****



Prior Approval Requests

- Award recipients may be required to request prior approval from HRSA for changes that occur during the grant period
 - Prior Approval will result in a new Notice of Award (NOA).
 - Completion of a Prior Approval (PA) will take a maximum of 30 days for completion. Should additional time be needed; the recipient will be notified of a modified time
 - Examples of Project Changes that require Prior Approval in following slide

Examples of Project Changes that require Prior Approval

- Change of Site location
- Change of Project Type (Construction, Alterations/Renovations, Equipment)
- Change in Project Budget (exceeding 25% or \$250,000 whichever is greater)
- Changes to the Project Director
- Extensions to the project period (request 60 days before the project period end date)
- Changes that expand the building's footprint or the area of renovation
- New costs (must be reviewed for to determine if allowable)
- Use of Force Account Labor
- All Pre-award Costs

* Best Practice: Consult with Program Contact prior to submitting a Prior Approval Request to determine what documents are required and avoid unnecessary back and forth



Procurement Rules

- Grantees must comply with applicable procurement regulations as detailed in CFR 45 part 75:
 - All contracts for goods and services equal or greater than \$250,000 must be competitively bid
- The simplified acquisition threshold applies to work < \$250,000
 - Recipients should keep in mind that they still need to get more than one quote (not bids) for the work to determine that the costs are reasonable, and the threshold shall not be broken down into several purchases or artificially reduced to smaller quantities to permit negotiations under simplified acquisition procedures.

* The Davis-Bacon Act does not apply to ARP-Capital funding. However, you must follow state and local requirements for prevailing wages and fair labor policies.



Addition of a New Site to Scope

- If you proposed a new site on Form 5B of the application, your NoA will have a site verification condition
- You must verify in EHB when the work at the site is complete and the site is open and operational



NEXT STEPS AND RESOURCES

Next Steps

- Make sure you understand all the terms and conditions on your NoA
- Discuss questions or concerns with your Program Contact or Grants Management Specialist
- Respond to conditions as applicable
- Submit Project Implementation Certification



Key Contacts

Assistance Needed	Contact
ARP-Capital Project Questions	Program Contact
Budget Conditions and Fiscal Questions	Grants Management Specialist listed on the NoA
General Capital Programmatic Questions	BPHC Contact Form (Select Health Center, Capital, and ARP-Capital (C8E))
EHBs Support	Health Center Program Support 1-877-464-4772 or BPHC Contact Form



Technical Assistance Contacts

Program and Technical (EHB)
related Questions



Health Center Program Support

- BPHC Contact Form:
<https://www.hrsa.gov/about/contact/bphc.aspx>
- (877) 464-4772

Business,
Administrative, Fiscal
Issues



Grants Management Specialist

- Listed on your Notice of Award



Health Center Program Support Contact Form

To submit an inquiry via the [BPHC Contact Form](#):

Enter contact and organization information

Select Applicant

Select Health Center

Select Capital

Select ARP-Capital (C8E)



Technical Assistance Resources

Types of Questions	Methods of Contact
ARP-Capital Technical Assistance Webpage	https://bphc.hrsa.gov/program-opportunities/american-rescue-plan/arp-capital-improvements
Capital Development Technical Assistance Webpage	https://bphc.hrsa.gov/program-opportunities/capital-development



Thank You!

ARP – Capital Team

Office of Health Center Investment Oversight (OHCIO)

Bureau of Primary Health Care (BPHC)

Health Resources and Services Administration (HRSA)



<https://www.hrsa.gov/about/contact/bphc.aspx>



(301) 594-4300

bphc.hrsa.gov



[Sign up for the *Primary Health Care Digest*](#)



Questions



Connect with HRSA

Learn more about our agency at:

www.HRSA.gov



[Sign up for the HRSA eNews](#)

FOLLOW US:

