

NWX-BPHC (US)

**Moderator: Ann Piesen
May 21, 2012
12:30 pm CT**

Coordinator: Welcome and thank you for standing by. At this time all participants are in a listen-only mode. To ask a question during the question and answer session later please press star then 1 on your touch-tone phone.

Today's conference is being recorded. If you have any objections you may disconnect. And I would like to turn it over to your host Ms. Ann Piesen. Ma'am you may begin.

Ann Piesen: Thank you (Fran). My name is Ann Piesen. Welcome everybody to the Capital Development Building Capacity, CDBC Program Technical Assistance call for those who received a Notice of Grant award.

We're pleased that you could join us today for this call. And I'm going to turn this over briefly to Jim Macrae, the Associate Administrator for the Bureau of Primary Healthcare to say a few words.

Jim Macrae: Great. Thank you Ann good afternoon to those on the East Coast and a good morning to those on the West Coast. And most importantly a big congratulations on winning your particular grant.

This was a highly competitive opportunity. You all should feel very good about your success in terms of receiving one of these grants. And I really just want to congratulate you on submitting very good proposals.

And now the fun part begins which is to actually begin to implement these projects. And we're going to spend some time today sharing with you some of the requirements and some of the expectations but most importantly to begin a dialogue that we think is critically important throughout the development, implementation and hopefully finishing of your projects in the time frames that were talked about.

In particular we're going to stress the importance of working with both your program staff as well as your grants management staff as you go through the different elements of implementing your projects.

It's very important to keep in close contact with both of those sets of individuals especially as you are progressing with your project.

And progress sometimes can be met with challenges but - and it's really important for you all to share not only your progress but sometimes those challenges so that we're aware of it and we can work with you to address those challenges.

Our bottom line is your bottom line in terms of creating successful projects that really do expand the capacity to provide more preventive and primary care.

But we need to know from you if you are running into any kind of challenges that we can work with you.

In addition please note that we are available to answer any questions that you may have.

These are complicated grants in the sense of all of the different federal requirements that are associated with them.

There are number of different requirements that you need to meet in terms of fulfilling the objectives of these grants. But we are here to help answer your questions and help you get through any kind of issues that you may encounter.

In addition if I can just say this from where I sit it's extremely helpful before you begin the project to actually do before and after pictures. Those are incredibly powerful visual instruments that we use here to really show the impact of these grants.

So I would encourage you at the very least to do a before and after. I think it's also been extremely helpful for folks to take pictures as the project progresses. It really does give you a visual representation to see progress throughout the entire project itself.

And these are projects that can last for up to three years. So having that kind of visual representation is really important.

So again, congratulations on these rewards. You all were really the best of the best. And I really want to thank you for all that you do and really look forward to working with you on these projects over the next three years.

So with that I'll turn it back over to Ann to get you started on the call and all the fun stuff about requirements. Thanks everybody.

Ann Piesen: Thank you. I will kind of be covering the highlights of the PowerPoint presentation that is available on the CDBC Web page. The information was sent to you earlier.

Please I'm not going to be reading verbatim off of those slides. The links that are provided should be active through the PowerPoint presentation.

And I also asked that we hold the question and answers to the end of the presentation and then we'll queue up for asking and responding to them.

The, if you turn to Page 2 of the PowerPoint presentation the objectives are - of this call is to cover the expected outcomes of the CDBC program, discuss critical compliance requirements, go over the terms and conditions very generally of the awards and explain the overall process for meeting those submissions and review requirements.

Slide 3, HRSA awarded \$629 million in CDBC awards. This constitutes 171 grants and - sorry, 123 construction projects, 48 in our projects.

And please note that as Jim mentioned earlier this is a three year project period because these are major construction and renovation projects.

Slide 4, I want to bring your attention that there is a separate PMS subaccount code for this award. This is not part of your pooled account.

You can get the subaccount code or your Notice of Grant award in Box 17. It literally says subaccount code. So when you go into PMS keep that in mind.

Funds must be accounted for and reported separately from Section 330 funds and other Affordable Care Act funds.

Keep in mind that when you draw down funds if your project is not 100% federally funded you must be drawing them down as a percentage to the total approved cost.

You can reference grant specific term Number 4 on your Notice of Award. And if you have further questions about that please contact your grants management specialist.

Slide 5 very generally you are all aware of this already, you can only propose one distinct site-specific standalone project for A&R or construction.

Ineligible costs on Slide 6, you definitely want to pay attention to this. Some folks may have a request for revised budgets or clarification on the cost because we may have proposed some ineligible costs in the application.

Ineligible costs include costs incurred before 90 days prior to the award date, issues procurement guidelines.

Obviously you cannot propose land or building purchases or lease payments, obviously not 330 operating costs. You cannot propose permanent relocation costs. But some of you do have temporary costs.

Mobile vans, please note Electronic Health Record systems and licenses, actual abatement of hazardous materials. But you can use federal funds for the testing to make sure that there are or are not hazardous materials. And disposable supplies such as paper or syringes or medications.

Slide 7, beginning the project.

Before you start it is really really important to review all the terms and conditions on the Notice of Award.

You really should ensure that you are familiar with your Notice of Award as well as other documents referred in the Notice of Award such as the code of Federal Regulation 7492 and the HHS grants policy statement.

In fact, they offer a lot of clarifications on commonly asked questions.

Prior to receiving final HRSA approval, award recipients may only incur costs related to non-construction activities such as preparation of preliminary work site plans, A&E drawings, environmental and historical preservation compliance, movable equipment purchases.

Before you start construction all project conditions must be lifted. And construction includes things like abatement, demolition, site grading.

Once HRSA has approved the required submissions meaning that you've received a revised Notice of Award lifting the condition then you may proceed with the project.

Right. We cannot emphasize enough that doing work without a revised Notice of Award is at your own risk.

Verbal approval, doing work in good faith unfortunately it does not constitute a Notice of Award saying proceed with construction.

Slide 8, please remember that the project director needs to add the CDBC grant into their portfolio and ensure that the correct award recipient staff are assigned to the roles and functions in the handbook.

The link provides additional guidance on how to do that. And if you need additional help you make call the HRSA help desk. And that contact information is at the end of this presentation.

Slide 9 very briefly the roles of a project officer.

Project officers monitor the condition, review revised budgets, schematics, site plans, construction timelines.

They assist with the pre-implementation. They review and process the prior approval requests.

Prior approvals must go through the project officer first.

Ongoing project programs monitoring and technical assistance and closeout.

POs will be if they haven't started already contacting all of you regarding additional information for technical assistance and specifics on how to meet conditions of individual grant awards.

Slide 10, likewise our grants management specialist or GMSs review, revised budgets federal interest and lease documentation, process the prior approval of request, approve project director changes and they provide ongoing financial and grants management monitoring and technical assistance and also help facilitate closeouts.

Electronic document submissions in the Electronic Handbook, if you have a condition on the award you must submit it through the clinician in Electronic Handbook.

It's great that you email us and we can provide some feedback initially but in order for that condition to ultimately be lifted it must be submitted through the submission in EHB.

Please be aware that program and grants folks may request additional information through the Electronic Handbook.

It could be through prior approval or other means such as adding an additional condition. It's on a case by case basis.

Again the project director must make sure that the award is added into their portfolio and that all the other users that you want to have access to the award have the appropriate roles and responsibilities assigned to them.

Two notes regarding conditions. If you think a condition or related submission is missing from your noticeable award please contact your project officer.

Occasionally there are glitches in the Electronic Handbook system. Also for the specific issue, those that are adding new sites there was a small glitch in the system saying that scope verification had to be within 120 days of the notice of award.

Obviously that's a little different if you're building a building. We are going to correct that. We will be revising the original notice of award to reflect those verifications by the end of the project period of three years, so that would be

by 4-30-2015. So please be sure we're working on it and you should see something correcting it soon.

Slide Number 12, condition deliverables and due dates. If you need an extension to your submission deadline please discuss that with your CDBC project officer and/or your grants management specialist.

Please be aware that you will need to provide a justification when you are requesting an extension indicating why you need it and the impact of the extension on your overall construction timeline. These requests will be reviewed on a case by case basis.

The other thing to keep in mind -- and we get this question a lot -- is that the deadline for submissions is based on date that the award was released not the award issue date which is sometime in April.

So the due dates are based on the May first release date. So don't fret anymore about that. It's 60 days not 45 days and so forth.

With that I'm going to turn this over to my colleague Bill Hemmingson to discuss the federal interest requirements.

Bill Hemmingson: Thank you Ann. And my name is Bill Hemmingson. I'm a Project Officer for many of these grants in the Northeast division and then I'm also one of the architectural staff here.

So I wanted to start were Ann left off on Slide 13 talking about the federal interest. I think almost all these grantees have a notice of federal interest as a requirement. I think we had two of the grants that did not.

And just a reminder that the federal government will retain an interest in the property, construct it and improve with the federal funds.

And with guidelines we follow all construction projects. So if you're classified as a construction project regardless of the cost it's required that you have a notice of federal interest on the project and on the property.

For A&R projects exceeding \$500,000 excluding the equipment cost you must - you're also required to do a notice of federal interest.

Applicants are not required to file a notice of federal interest on projects that are less than \$500,000 but federal interest still exists and the work done in the equipment purchase.

And there's a link on this page for additional information and resources about the - how to file the notice of federal interest. And a sample I think is provided there as well.

Again a note I believe we've found a few grantees that were required to have a notice of federal interest but it was not on the list of conditions in the Electronic Handbook.

So we're working to correct that and you may be getting a revised - some revised information if you were one of those grantees.

On to Slide 14, the leased property requirements, so if you are leasing your property you are required to provide a statement that in writing that you've agree to the proposed renovation or construction cost.

And oftentimes grants management will be looking for specific information and specific language in that so that even if you have submitted that and you still have the requirement it may be that there was some language that they were looking for. So you should check with your grants management specialist to follow-up on that omission.

Award recipients must maintain documentation and include communications between the property owner and the leasee for the award recipient lead to such interest in accordance of the standards.

And landlords with a notice of federal if you're a landlord and you have an NFI the landlord must file the NFI on their property to allow the project to begin.

Moving to Slide 15, just a reminder a little bit of some of the rules of leased properties, funds may not be used to pay lease cost.

Funds do not address needs that are part of the terms of the lease. They can't - anything that's a responsibility of the lessor on the lease you can't use funds for that.

If funds address improvements that would impact the terms of the lease then the example we give is improving the Windows.

Then you must have written evidence of negotiated offset in the rent for providing that improvement to the building.

The - again the landlord letter of consent statement you may have submitted something with your application.

But if you received that requirement you will work with the GMS to make sure that the language is appropriate and that there is an agreement to how the wording of that document is.

And again just a reminder that the landlord must file an NFI in the land records before the project begins.

HRSA will determine if the length of a lease is sufficient for the full value of the grant supported improvements benefit to grant activity.

And that's something again, can vary from project to project and working with your grants management specialist to determine the length of the lease, that would be a good thing to talk to them about if there's any questions about that.

Moving on to Slide 16 which is environmental and historic preservation conditions, each of the applications did receive an environmental historic preservation condition. That's something that HRSA is required to do.

And the conditions that are shown on your Notice of Award are a result of what we thought we needed more information about.

And this is a reminder that you may not begin the project or drawdown any funds for demolition, site preparation construction activities until these conditions have been approved and are listed.

And this - with special note on this it may impact your project schedule so please plan accordingly as simple consultation to - for compliance with environmental historic preservation conditions will take a minimum of a month to prepare and if you have a requirement for an environmental

assessment it may take several additional months to prepare and review and distribute for public comment.

If the environmental assessments do require a public comment period and so it's again very important that you not begin any work on the site prior to having that approval from HRSA.

And this applies even if you already have an environmental assessment prepared for the site.

If you've already received notice from some other activity that you are doing on the site we still would need review it for the specific project that you proposed.

And again the grant recipient should work closely with their project officer and the environmental reviewer. The environmental reviewers have begun contacting you.

If you have conditions they'll send you some additional information about what you need to provide them.

And you can contact them directly. Please copy your project officer on the close communications. But you can contact them directly if you have any questions about the - what specific information that they need.

Now there is technical assistance for environmental and store preservation requirements. And the link is on this Slide 16.

It - there's some helpful questions and answers. There's some more information about what is an environmental assessment and how to provide that and also how to contact your state historic preservation office.

On to Slide 17, award recipients must use the building capacity funding to renovate or construct a space that will be utilized directly from the health center to support your health center operations consistent with the 330 program.

So these grants are awarded directly to you for your activities and therefore cannot be used to support space that will be utilized by others or rented or for other activities within the - within a building.

It's - the cost can only - are limited to just the work in the spaces that you'll be utilizing.

Utilizing federal funds to generate revenue, charging rents for a space that we've constructed with or that you've constructed using the building capacity funds is an eligible use of the funds.

And a note on the bottom there that says per the notice of federal interest the use of this space as collateral for mortgage, financing, or changes of use of this space leasing or sale must have a prior approval from HRSA. And these of course must be submitted through the grants management specialist.

Slide 18 talks about our procurement rules. And this is a reminder that these are under the federal procurement requirements.

Award recipients are reminded that you must comply with the procurement regulations. There's a link available for technical assistance and some good question and answers on the link provided there.

And these procurement rules apply for all goods and services for the grant. Goods and services greater and contracts greater than \$100,000 must be competitively bid. That's done through a public procedure.

If it's less than \$100,000 for a contract for architectural services or construction services or other activities if it's less than \$100,000 then you can use a simplified message which is which would allow you to get multiple quotes.

It still would be competitive. You'd want to get multiple quotes for that but you're not required to do it through a competitive open public bid.

And then just a note our - they're by the contract amount, so you want to make sure that if you anticipate this contract say for architectural services is going to be over \$100,000 then that's where you would want to make sure that you're using a competitively bid process.

On to Slide 19, there's some other policy requirements. Project must be in compliance with the uniform relocation assistance and the reference is there on Slide 19.

The American with Disabilities Act, ADA accessibility guidelines for building in facilities and the standards for accessible design and that's more often used for the designs of the buildings and renovations taking place in the building and for the have to travel many guidelines of course should go into your healthcare facilities.

And the, also the real property insurance maintenance disposition and federal interest as referenced in CFR45 Part 704 that's referenced here on Slide 19.

Under Slide 20 just some reminders. And this is part of one of the submissions that you'll be making is that you're required to consider the following codes and to comply with them as they relate to your facilities.

So that would include the NFPA one on one life safety code, the guidelines for design and construction of hospital healthcare facilities, sustainable design practices for renovation and construction are also to be considered and sustainable equipment purchases as well.

And there's some helpful links on that for some of the considerations you can use as you design and fully complete the drawings for your projects.

On to Slide 21 there will be routine reporting on these projects. We, you know, hopefully we'll get a chance to talk to everyone throughout the course of the project.

But in addition to that we will be - there'll be quarterly progress reports starting October 1 of this year.

So the - we push back a little bit from our normal quarterly just because beginning to allow - allow you a chance to complete the requirements of the grant and to get your projects underway. And of course once the project's underway quarterly reports will follow after that.

And that is done through the Electronic Handbook. So there'll be some present - project completion status will be reported.

There'll be a place for you to update the construction schedule, the update the budget information to provide photographs or other useful information as you like on the quarterly reports.

The federal financial report is also required on these grants and that's an annual submission. So these are three year grants. There'll be a requirement for that sort of interim project federal financial report.

And the federal funding and transparency hoarding will also be part of the project here with his grants.

On to Slide 22, there are submissions that are required that are part of the monitoring. They're we call them reporting requirements.

And there have been generally given deadlines in the Electronic Handbooks. Again if you need - these deadlines do not work exactly with your project you can contact your project officer.

The project implementations certification and the certificate of final design are two that are on the Web site as a sort of a standard format that we follow.

And if you could review that when you - when the time comes and complete that and there's instructions with the forms on that.

And that's the same with the bonding covered certification. There's a standard format that we use and there's instructions provided on that link or on the form that's found on our Web site.

The construction contract information is slightly different because the we don't dictate the format that your construction contracts take.

So you're allowed some flexibility in the construction contract. But we do require that you submit the signed contract.

We also require that you have that contract with written certification from the architect, the designer of the project to make sure that the contract is reasonable for the scope of work that's in the design documents.

There's a formal recommendation award that may not be something that you do with every one of your contracts but these contracts require that from your organization either from your CEO or the board formally recommending the award.

A statement, a determination that the selected contractors not on the GSA list of parties excluded from Federal procurement is - or we call it the debarred list, the statement is also required.

And finally if the contract is awarded to any qualified bidder other than the lowest bidder we ask that you submit the proper documentation justifying the decision to go with the selected contractor. A copy of the award letter is also requested.

And then at the bottom there is the link where many of the forms can be found except for the construction submission. But the templates for the other submissions are found at the link that's shown there.

On Slide 23 some additional documentation that we may request from you just to verify the status of the project.

And again this is something you could attach to quarterly reports if you like or to provide to your project officer.

Those include milestone charge, construction schedule and again updating any changes to that schedule.

Field observation reports, applications and certifications for payments and specific documentation such as permits and invoices as necessary or as requested.

Slide 24 talked a little bit about close out. I know we're just getting started but just as a reminder there will be a close out procedure for the grants.

The closeout documentation is required within 30 days of the completion of the project.

So even though as Ann said some of these deadlines may be not until 2015, obviously as you complete the project please go ahead and begin the process for closing it out.

Some of the closeout documentation includes photographs of the completed project. And as Jim Macrae said that's also important part that we like to see as projects are completed.

The final budget information that's reflecting the actual cost of the project including whether the project has gone up, how you've completed the project and how you've been able to fund the project.

The project completion certification would also request that you submit the (certificate) of occupancy from the local jurisdiction, a certificate of substantial completion from the architect and the property insurance from your carrier just to show that the new building or the renovated space is fully covered by your insurance.

And the tangible personal property report that's F428 can also be provided to the grants management specialist.

On to Slide 25 is the Electronic Handbook help resources. And the links are shown there for both the Web site, the number to call and the email address for the call HRSA call center and also for our Bureau of Primary Health Care Helpline. Those are all very helpful to have.

The project officers and your GMS can help you with some things but oftentimes many of these things can be - are better to talk to the helpline about if you're having a little bit of technical help needed through navigating the Electronic Handbook.

On to Slide 26, just a reminder that the - this technical call presentation and the materials and the transcript will be available at our BC help page and the links provided there.

We hope to have it posted within 48 to 72 hours. And the technical materials will be posted as well at the Web page.

The technical materials included on our capital Web site include the submission template that I mentioned a few minutes ago, the frequently asked questions for the program and a number of frequently asked questions in a number of areas. And I think they're very helpful.

They - we tried to put it in fairly simple language that will help and will help you I think in some common things that we've been finding on these construction projects.

So that includes environmental review and compliance, frequently asked questions historic preservation, frequently asked questions procurement, frequently asked questions and questions about federal interest.

I think with that point Ann will conclude our technical assistance portion of it. And we'd like to open the phone up to any questions but I'm going to toss it back to Ann Piesen for final comment.

Ann Piesen: And would like to make one note when you called the HRSA contact center or the BPHC helpline because those calls are tracked they'll give you a reference number.

It's really good to keep track of those numbers when you make those calls. It can help track the issue. It can help us on the program side help you with resolving those issues if they're not resolved satisfactorily. So we just want to kind of let you know very quickly about that.

But as Bill said this concludes the presentation portion of our call and we are ready to open up conference line to questions.

Coordinator: Thank you very much. If you would like to ask a question please press Star then 1. Please un-mute your phone and record your name clearly when prompted. Your name is required to introduce your question.

Star then 1. One moment please.

I believe (John Samstevan) your line is open first.

(John Samstevan): Sure. Do you have a standard template for the general contractor's contracts to make sure we all - we have all the required regulations in the contract?

Bill Hemmingson: That's a good question. There is information on - in the frequently asked questions about what language to include in the contract.

Again we don't dictate the whole form about it because of there's so many grantees throughout the country in different areas and of where, you know, how you would want to fully complete that project.

But there is on the frequently asked questions there is a specific questions that asks what - is there specific language that needs to be included in contracts. So if you could check in that area you'll find that information.

There's also 45 CFR Part 7492 do have specific sections on procurement. And they do provide some guidance on specific issues that contracts need to address.

And then if you needed more in general assistance the HHS grants policy statement also has a section on procurement in contracts.

And then just a final word is that the American Institute with Architects contracts are very commonly used because the language they've developed over the years does provide a number of protections for the owners.

And so that's - although we don't require the use of those contracts those contracts those contracts are very beneficial I think to consider as you work with your architects and as you go out for bids.

(John Samstevan): Okay thank you.

Coordinator: (Mike de Leon) your line is open now.

(Mike de Leon): Hi. I have two questions. The first one is does Davis-Bacon apply to this grant? And secondly as we're looking for an environmental assessment company that we're going to be dealing with it looks like our cost is going to be about \$20,000. Is that going to be reimbursable after the outdated award?

Ann Piesen: Okay so Davis-Bacon does not - is not triggered by this award. Davis-Bacon is specified in appropriation language. And if it's absent then it does not apply.

So for Affordable Care Act Davis-Bacon was not in the appropriations language. Therefore it does not apply to this award which is good for you.

(Mike de Leon): Yes.

Ann Piesen: It makes life a little bit easier. However you are still expected to comply with Fair Labor Standards Act either federal state or local and those are separate from Davis-Bacon.

Regarding the environmental assessment depending on where you are and the complexity of the project you can get quite a range of cost for completing the EA draft EA process.

Yes actually that is considered one of those costs that you could reimburse yourself prior to construction with. So it is an allowable cost under the award.

I want to note that a lot of folks get an environmental site assessment either a phase one, two or three confused with a National Environmental Policy Act, NEPA environmental assessment.

So you do want to make sure that that's what your contractor is performing for you. A phase one ESA is really only a subset of a NEPA environmental assessment.

(Mike de Leon): Okay.

Ann Piesen: All right?

(Mike de Leon): Wonderful yes. These are NEPA and we've gotten a few quotes on it and they all seem to be in the same ballpark so...

Ann Piesen: Okay great.

(Mike de Leon): Wonderful. Thank you.

Coordinator: Thank you. (Todd Hansen), you line is open now.

(Todd Hansen): Good afternoon. My question is for Bill Hemmingson. And it relates specifically to the - an NFI.

Could you provide maybe some guidance on drafting of and NFI with a lease agreement on a building owned by a state institution?

In our instance specifically it's the state university system who - and the board of regents who have jurisdiction over the acceptance of that NFI.

And I'm sure it's been done before but our neck of the woods in north central Montana we've never had and they've never had an instance to do and NFI on a state university building.

Bill Hemmingson: Yes so thank you for that question. Brian Feldman and actually I appreciate you asking me that question putting me on the spot but that's all right.

But actually both Ann - Ann's done a number of work both past and present on the federal interest for these sort of unusual cases.

And a lot of times they are on a case by case basis when you end up with these little specific things.

But Brian Feldman is here also from Grants Management then you can also address that comment and I believe. So I don't know if you want to talk to...

Brian Feldman: (Unintelligible).

Bill Hemmingson: Okay Ann?

Ann Piesen: So yes this does happen. The NFI in a leasehold situation will have to be filed whoever buys the appropriate entity within the university system not by your organization.

Every kind of situation is a little bit different. In some cases we can kind of create condominiums. So it's a very limited notice a federal interest and only affects part of a building. In other cases it's a whole campus.

We try to limit the notice of federal interest specifically to the parts that are being improved. So in your case we will probably need to sit down and review your situation specific.

But just understand that generally the notice of federal interest will be that template that you saw plus a legal description of the property.

And then you can add in language with us. You know, the NFI is specifically limited to condominium acts or this building Y.

And you will need to work with your general counsel to do that and then it's filed.

So I'm not sure that specifically answers your question but yes it gets a little complicated when there's a landlord involved.

Brian Feldman: The other thing to keep in mind -- this is Brian Feldman -- I'm the Grants Management Specialist who's the program lead for this program.

The other thing to keep in mind is that when you do have inquiries regarding how your landlord or the owner of the property is going any questions that they might have regarding filing of the NFI it's a good idea to have both you the award recipient and the owner of the property on the call at the same time.

(Todd Hansen): Okay. And Brian if I might follow-up then is there a specific recommendation that if we can because I know that that's where we're headed.

Who specifically should we work through then? Would it be our grants management officer or someone like yourself or who would you recommend?

Brian Feldman: You would start off with contacting your grants management specialist. We have a team of about two or three people who are federal interest contacts in our branch which includes me.

So what likely would happen is you would contact your grants management specialist and then they would contact one of the three of us and we'd all sit down and have a call together.

(Todd Hansen): Thank you very much.

Brian Feldman: You're welcome.

Coordinator: Thank you. Now (Op Janus), your line is open.

(Op Janus): Yes we have a specific grant condition that says within 30 day - excuse me within 60 days we need to have property documentation. And it sights deeds, titles, local land records describing ownership of the property.

We held off actually buying the property till we heard about the grant even though we're purchasing it with our funds.

If - does that mean you have to close on the property or can we just give you a description of the contract because we're working through, you know, just the basic purchase agreement methodology? Do you understand my question?

Ann Piesen: Yes. I mean basically within a 50 day period you wouldn't have quite closed on the property is what you're saying.

(Op Janus): I mean we could. And there's one little, you know, one little problem that we're going to clear up but it requires some legal work.

So yes we may not close in the 60 days. What - how should we proceed?

Ann Piesen: So that's a situation where you want to talk to your project officer about perhaps consideration of expanding the submission deadline.

(Op Janus): Okay.

Ann Piesen: Because we do need evidence that you own the property if you're saying that this is property that will be owned by your organization.

(Op Janus): It will be. Okay that's all I need to know. Thank you very much.

Ann Piesen: Thank you.

Coordinator: Thank you. (Robin Afrime), your line is open now.

(Robin Afrime): Okay hi. Thanks. I have a couple questions. I just wanted to make sure that on the Slide 22 that you're talking just about the general contractor contract. Is that right?

Ann Piesen: Hold on, I'm flipping to Slide 22.

(Robin Afrime): It's about the construction...

Bill Hemmingson: Yes on the construction contract. Yes the construction contract yes you only need to submit the general contractor contract.

You don't need to submit your contract for the architect or for other - like for your environmental assessment who's performing that or other testing agencies.

Not - that's not to say you don't have to procure those contracts properly just that you only need to submit the construction contract as one of your submissions for this.

Now if you're using multiple contracts or something like that like if you have a separate bid for the foundation and then another bid for something else, some sort of odd way of putting the project together you would need to submit all those contracts under the submission. So we want to see that you contracted for the entire scope of the project.

(Robin Afrime): Right okay. So okay so it is really for the general contractor that you're talking about.

And then another question that I have is you provide some list -- I think there's a general services list -- of consultants to help with the environmental assessment.

Do we have to - can we hire only someone from that list or can we...

Ann Piesen: Oh.

(Robin Afrime): ...hire someone that we know locally that can do it?

Ann Piesen: No you may absolutely hire someone locally. The list is not - we don't endorse anybody on the list. It's just the list is entities that we know performing environmental assessments across United States and have performed these

services for other federal contracts and grants. But we do not personally endorse or require you to use them.

(Robin Afrime): Okay, okay great. Thank you.

Coordinator: And now (Molly Shigru), your line's open.

(Molly Shigru): Hi. This is more of a technical question. We got an email from our project officer stating that certain documents needed to be revised and resubmitted.

We just wanted to confirm that that meant submitted by the date in our NGA...

Ann Piesen: Yes.

(Molly Shigru): ...as opposed to submitted to our project officer in advance or any other...

Ann Piesen: Well...

(Molly Shigru): ...wave unit?

Ann Piesen: Well if you have questions regarding whether this documentation that you're about to submit is correct or not you are certainly most welcome to contact your project officer and go over it with them.

But what he means submitted it's by the conditioned deadline on a Notice of Grant Award.

Bill Hemmingson: And just to add...

(Molly Shigru): Okay great, thank you.

Bill Hemmingson: ...into that is the Electronic Handbook is set up for us to review so that we can do multiple people can see it if necessary.

So it's always best if you're able to submit something through the Electronic Handbook. If we have any objections or need revisions to it we can send it back to you through that process.

But if you're just totally confused about what exactly needs to be submitted then absolutely contact your project officer on that in those cases.

(Molly Shigru): Okay great. Thank you.

Coordinator: Thank you. (Amanda Spindler), your line's open.

(Amanda Spindler): My question was on Davis-Bacon and it was answered already.

Coordinator: Thank you. (Wayne Yost) your line is open.

(Wayne Yost): Yes hi. Question regarding is it possible to do a design build versus and architect versus general contractor? Is that allowed at all?

Bill Hemmingson: Yes. We've had a number of other grantees on previous programs use the design build method.

Just also just keep in mind that this still is a competitive process to get construction contract.

So within the guidelines of that construction contract, you know, in the - if you look under the requirements for construction contracts there's still some fair and open competition within the realm of it.

But the actual design build contract that also needs to be competitively bid for several design build firms following our federal procurement guidelines.

(Wayne Yost): What if we had a contractor that was willing to donate their fee?

Ann Piesen: I don't necessarily understand the specifics of what you're discussing but I would say that this is probably pretty involved and we should discuss this off line.

(Wayne Yost): Okay.

Ann Piesen: So...

(Wayne Yost): Okay.

Ann Piesen: So start with contacting your project officer.

(Wayne Yost): Okay.

Ann Piesen: Okay.

(Wayne Yost): Yes. On the performance bond is the performance bond - it excludes anything like phone systems or furniture and fixtures or the performance bond is for the contractor only?

Ann Piesen: It's for the construction contract, yes, for 100% of the construction contract.

(Wayne Yost): Okay, excluding fixtures and equipment and...

Bill Hemmingson: Well if you're getting those from other contracts that are...

Ann Piesen: Yes.

Bill Hemmingson: ...sort of unrelated to the building itself. But if the phone system and all the equipment is in that construction contract then that all needs to be bonded within the - within that scope of that contract.

Ann Piesen: Okay.

Bill Hemmingson: The Health and Human Services threshold for bonding is \$100,000 so contracts for over \$100,000 must be bonded. And that includes subcontractor contracts.

However if it - if you have contracts less than that you - you're - but I guess in this case we wouldn't have any contracts on the - these types of projects.

Ann Piesen: Unless...

Bill Hemmingson: They're highly unlikely.

Ann Piesen: ...broken out in some unusual way.

Bill Hemmingson: In those cases we do allow you to use your own internal bonding policies. So you just need to clearly state what your organization's bonding policies are and that you're going to be using your own organization's bonding policies.

(Wayne Yost): Okay, well regarding the telephone system and the alarm system, if we are - if we are expanding the system that we already have and I mean I guess would it be considered - it still would have to go out to bid. Is that...

Ann Piesen: I...

(Wayne Yost): ...correct?

Ann Piesen: ...think that the question's a little - I think we just need a little more information before we could really respond to it. So again I said earlier it's - you or somebody else did, call your project officer so we can have a little more detailed and in-depth conversation offline...

(Wayne Yost): Okay.

Ann Piesen: ...if you've got a unique situation is what I'm hearing.

(Wayne Yost): Okay last one. If - so this is not subject to Davis-Bacon. So if we went out to bid and a contractor, you know, perhaps had a pending union contract and they built into the bid that if the union granted an increase that the cost of the project would go up, is that...

Ann Piesen: But it depends on whether you're bidding fixed price contract or not. And there are several different varieties.

I think again, this is an offline question and it's kind of hard to really figure out what - you know, where you're going with the question without a lot more information and we probably...

(Wayne Yost): Okay.

Ann Piesen: ...don't have enough time here to talk about that.

(Wayne Yost): All right.

Ann Piesen: Great, sorry. Let's start with your project officer and we can help you.

(Wayne Yost): All right, thank you.

Ann Piesen: Thanks.

Coordinator: Now (Paula McMillan), your line is open.

(Paul McMillan): Hi. I wanted to find out whether or not we'll be allowed to make any changes to the approved project? We have been able to purchase a piece of property since we applied for the grant.

The property is right between our existing building in the parking lot since we were thinking about changing the construction.

Will that be allowed and so what process would we go through?

Man: Well I think this is (unintelligible). Please call your project officer immediately to discuss what you just described and then we can work with you from there.

(Paul McMillan): Okay.

Man: Thank you.

Coordinator: Thank you. (Kathleen Pablo), your line is open.

(Kathleen Pablo): Hi, just a couple quick questions. On Slide Number 8 the term project director, is that the same as project officer?

Ann Piesen: It's on your side.

(Kathleen Pablo): Okay so the director's here, okay.

Ann Piesen: Yes.

(Kathleen Pablo): And also on Slide 21 - let me get to that. The quarterly progress reports, maybe I missed it. He said it's now October, not the July?

Ann Piesen: Yes we updated the slides right before.

(Kathleen Pablo): Oh okay.

Ann Piesen: Before this call. So if you go back on the Web site you will see it says October 1.

(Kathleen Pablo): Oh okay great. That's all. Thank you.

Ann Piesen: Oh thank you.

Coordinator: And now (Melanie Taylor) your line's open.

(Melanie Taylor): Thank you. One question, a couple of questions. How long does the federal interest last? And secondly...

((Crosstalk))

(Melanie Taylor): Pardon?

Bill Hemmingson: It's in perpetuity.

Ann Piesen: So go ahead and answer - ask your other question and we'll respond.

(Melanie Taylor): And then in limit the notice of federal interest, we own the property which includes two buildings. We'll be renovating only one of those with this funding so we want to limit that federal interest.

So I - will that require partitioning the property description so that we can limit that interest?

Ann Piesen: So there's a - all right. So the first question as Brian had said NFI, the Notice of Federal Interest is in perpetuity until the property is no longer needed for which the grant funds were intended.

That means that, you know, when you need to sell or substantially revise the property, use it for a different purpose you'll be contacting HRSA at that point and letting us know what your concerns are and how you want to handle the remaining federal interest on the property. So it is possible that the federal interest will go on beyond a lease or, you know, what you had envisioned using the property for over a longer period of time. And there are a couple of options.

You know, we can work with you to either reimburse the remaining federal share of federal interest back to treasury, transferring the federal interest to another property. There's a lot of different options. And if there's almost no

federal interest left or no value left to the federally funded improvement, there may be possible to negotiate a release but, you know, these are quite large grants.

Regarding limiting the federal interest, it depends on each situation. So in some cases you would still - for instance you may be able to create a condominium of the building that you're renovating. If you're only occupying several floors yes that would require you to involve your legal counsel or you could just write up the NFI to say this is the description of the property and this federal interest only applies to building to NXA whatever in this part of the property. You will have to talk to your general counsel as to whether they feel additional surveying or a subdivision is needed, but so far we've been able to avoid that with a lot of our federal interest filings.

Ann Piesen: And one follow on question and that is we own the property subject to a mortgage and we are considering actually refinancing the mortgage prior to filing the federal interest. Would you comment on the advisability of that.

Ann Piesen: So there is a term on the award that says explicitly that the NFI is subordinate to existing mortgages on a property or other liens and is subordinate to financing that is identified as part of this project. That being said that if you file the NFI now before you secure your financing, you will have to go through a more formal process with HRSA to get subordination of that federal interest. The NFI does not need to be filed until right before construction begins.

Ann Piesen: Thank you.

Ann Piesen: Okay. You're welcome.

Coordinator: Thank you. Now (Theresa Nakesko), your line is open ma'am.

(Theresa Nakesko): Yes hi. I have two questions. Probably this is a given, but I just want to clarify. Even though the EHR is an ineligible cost, the wiring would be an allowable cost; correct?

Ann Piesen: Hardware and software would be. I'm sorry hardware is allowable. The wiring is hardware.

(Theresa Nakesko): Okay. Thank you. The second question is that on this particular piece of property that we're doing this construction we had received CIP money to do renovation on part of another building on this property so we already had a (SHIPO) review of this address. Would we just be able to resurrect that or we have to do this again?

Ann Piesen: Well when you section 106 consultation, it is context of the location and the proposed activity so...

(Theresa Nakesko): Okay.

Ann Piesen: ...this is a separate activity, different intent, different project so you have to do a separate section 106 consultation with your (SHIPO).

(Theresa Nakesko): Okay. Thank you.

Coordinator: Now (David Reddy), your line is open sir.

(David Reddy): Yes thank you. I have a couple of questions. One relates to does the department allow guaranteed maximum price approach as far as the

contractor? And we are actually quite ready to put out an RFP for the architect engineering work. Does the PO want to see that before it goes out, the RFP?

(Bill): The first question about the guaranteed maximum price...

(David Reddy): Yes.

(Bill): ...approach, again we don't dictate the form of the contract so you are allowed to use that type of contract. Again it needs to be competitively bid and that would be based on the form of the contract as a whole so other construction firms that do guarantee maximum price would also be - should also be allowed and invited to submit proposals to you for that.

Your question about the RFP for architects, we normally do not review those. It's a question of your getting the flexibility or freedom to put that information however you would like to put in there again just as long as you're following the federal procurement guidelines for the contract. I think again I might refer you to some of the frequently asked questions about procurement relates to both to the construction contract and the architectural contract. But we don't need to see the RFP for those particular things.

(David Reddy): Okay. As a follow up, did I understand that the PO or the environmental individual will be contacting us or should be contacting the PO to get in contact with the environmental? Because we would want to initiate whatever needs to be done as far as that as quickly as possible.

Ann Piesen: Yes...

(David Reddy): And...

Ann Piesen: ...a terminal reviewer should be sending you an email within the next few days. I know that a lot of the emails have already gone out and the email will go to whoever the project director and the other contacts listed on the application.

(David Reddy): And one final quick follow up. The project budget that we turned in with the grant application and the justification, no additional work has been done on that budget since the grant. We waited to find out if we were going to be successful or not. Should we be resubmitting the same form within I think it was a 60-day timeframe?

Ann Piesen: Okay. So this is where your project officer...

(David Reddy): Okay.

Ann Piesen: ...will contact you or you should reach out. We can tell you specifically what the issues were with that budget was during our pre-award review that need to be addressed.

(David Reddy): I'll contact the project officer. Thank you.

Ann Piesen: Great. Thank you.

(David Reddy): Okay.

Coordinator: (Ashley Gonzales), ma'am your line is open.

(Ashley Gonzales): Yes hello. Thanks so much. The question is regarding the architect. Obviously we use an architect to help us (unintelligible) for the grant submission and she became quite familiar with the building because she had

to walk around and we paid a little bit of money. The question is can we just go ahead and use the same architect or do we have to go through a (formal meeting) process?

Ann Piesen: Well if you don't want to claim the architect's costs as under the federal grant funds, you want to use other sources of funding to cover those costs and yes you could use that architect.

(Ashley Gonzales): No, no. I'm not going to claim the costs for the (sketch) that she did for writing up the grant because that's definitely more than 90 days.

Ann Piesen: Okay.

(Ashley Gonzales): But I would like to be able to charge the costs that are going to be originated for the full architectural drawings that we are going to need going forward.

Ann Piesen: Okay. So you...

((Crosstalk))

(Ashley Gonzales): So going forward, I definitely want to claim them so that's why I'm wondering...

Ann Piesen: Well...

(Ashley Gonzales): ...if we should go through a formal meeting process...

Ann Piesen: You...

(Ashley Gonzales): ...or can we just use the same architect we used before?

Ann Piesen: You absolutely - do you anticipate those costs to be in excess of \$100,000?

(Ashley Gonzales): Oh God no.

Ann Piesen: Okay.

(Ashley Gonzales): But they would definitely be more than \$5,000. They will not be over \$100,000, but they would be more than \$5,000.

Ann Piesen: Okay. So there are a couple of things going on here. There is for the specific and I would recommend that you talk to your grants management specialist about this specific situation, but generally there is specific language in the regulations that talk about entities that prepare the applications for the award maybe excluded from being able to compete for contracts associated with the award. It's a catch 22 because if we're trying to encourage competitive fair competition, they have an unfair advantage. So that's the concept of why that language is in there. You know, without knowing more it's really hard to kind of make any conclusions on this call.

So I don't know if you're in the simplified acquisition threshold, if the requirements might be slightly different but you really do need to talk to your grants management specialist regardless. I think you're going to have (take) quotes...

((Crosstalk))

(Ashley Gonzales): Okay.

Ann Piesen: ...at the (unintelligible).

(Ashley Gonzales): All right. Sounds good. Thank you so much.

Coordinator: (Sandy Miller), your line is open.

(Sandy Miller): Thank you. I just have two quick questions. The first question has to do with the Natural Historic Preparation Act documentation that we need to submit. My boss wants to know if there's any specific forms that have to accompany the letter and the supporting documentation or is it just the letter and supporting documentation?

Ann Piesen: You have a copy of the letter that you send to the State Historic Preservation Office...

(Sandy Miller) Right.

Ann Piesen: ...and this is section 106 under the National Historic Preservation Act. So we would like a copy of the letter that you send out to them requesting consultation and any attachments associated with that.

(Sandy Miller): Okay.

Ann Piesen: Each state is a little bit different so you will have to go the state Web site to know if they have any forms or templates that they require you to use. And then we would like a copy of the letter coming back from the (SHIPO)'s office that says, you know, we need to consult with HRSA for an MOA. But 99% of the time they're going to send a letter back saying there's no adverse effect. We want to see that letter back.

(Sandy Miller): Okay great. And then a quick question. And you - when you were going through the PowerPoint slides on number 4 the separate PMS sub account, you said it was in box 17 on our grant award?

Ann Piesen: Yes.

(Sandy Miller): But when I scroll down to box 17, we've got an OBJ class 41.40 - 41-60, I'm sorry.

Ann Piesen: No, no. It's at the very bottom of the face page of the award. There is, hold on. Yes exactly. Go a little further down. Part of that box is the gray bar right below that.

((Crosstalk))

(Sandy Miller): Okay.

Ann Piesen: (Unintelligible) see FDA document number. The very last gray box says sub account code.

(Sandy Miller): Okay. So there's no numbers in it, it's all letters; is that correct?

Ann Piesen: Yes.

(Sandy Miller): Okay that's what I wanted to confirm. Thank you. That's it.

Ann Piesen: Thanks.

Coordinator: (Tammy Quall), your line is open.

(Tammy Quall): Actually our question was answered regarding the documentation about describing ownership or property so we don't have a question anymore.

Coordinator: Thank you so much. Now (Kathy Marsiando), your line will be open now.

(Kathy Marsiando): Thank you. Question, in our notice of grant award it says within 60 days we have to submit schematic drawings and a site plan. We already did that with the grant. Do we need to do something different? And then in your presentation it says 270 days we have to get approval on final schematics. Is that something we need to talk to our project officer about?

Ann Piesen: Yes both of those. The project officer can explain exactly what revisions in the schematics are needed.

(Kathy Marsiando): Okay.

(Bill): Yes as we said early we did a preliminary review of the drawings and everything that you submitted and oftentimes there's just a little more information that's needed...

(Kathy Marsiando): Okay.

(Bill): ...or a little clarity in the project. So it's not necessary for you to go through the construction documents and bid documents. We just need more clear information on the schematic drawings to be clarified is more often than not is what we're asking for on the drawing side.

(Kathy Marsiando): Okay yes. Because I know right now we're going to start that hard work with the architect to get the schematics for the bidding of the actual contract

with the contractors. But we'll touch base and see what else you guys need from us to get the schematics up-to-date.

Ann Piesen: And then you also had a question on the certification of final design?

(Kathy Marsiando): Yes. It says in the presentation it's 270 days from award to get the certification of final design. So I'm assuming that we have to send to our project officer the final design that we're going to send out to bid; is that correct?

(Bill): Well what we're asking for and that's one of the template letters that we have on the Web site is just a notice letting us know that the drawings are completed.

(Kathy Marsiando): Okay.

(Bill): Again on construction projects that length of time was given sort of as a guideline given to all the grantees. If you have a particularly complicated project that, you know, needs more time to prepare the drawings just contact your project officer and that deadline could be extended. On the other hand if your project is (unintelligible) simplified, you can certainly submit that as soon as you're ready to do so.

(Kathy Marsiando): Okay.

(Bill): Usually that's done about the time of the bid when you've got the bid drawings complete. I know sometimes there maybe, you know, maybe still some minor changes after the fact or during the bid process but either the permanent drawings or the bid drawings are when that letter is usually submitted. And it's just a letter, we don't need to see the final drawings unless

some changes have occurred on the - somewhat significant changes have occurred on the drawings.

(Kathy Marsiando): Okay. And we're going through the process of finalizing the design if the budget changes for any reason is that something that we're going to have to submit a change order on the grant?

Ann Piesen: You should contact your project officer to kind of go over the specifics of what will be changing and then we can make that determination with you.

(Kathy Marsiando): Okay great. Thank you.

Ann Piesen: You're welcome.

Coordinator: (Alex Sangie), ma'am your line is open.

(Alex Sangie): Thank you. I was just wondering you guys had mentioned that the grant process was very competitive in this round, I was wondering how many applications HRSA received for these awards and what the total amount requested was versus what you were able to award?

(Bill): There was over 400 applications that were submitted. We don't have the dollar amount handy at this point, but it was significant.

(Alex Sangie): Thank you.

Coordinator: (John Gragell), your line is open.

(John Gragell): My question got answered. I thought of one. On the initial - on the onset of the project on the State Preservation Office requirements is there an archaeological requirement to get an...

Ann Piesen: There may be...

(John Gragell): Okay.

Woman: There may be depending on the location so the (SHIPO) can identify that to you. If there is an archaeological survey requested, you can let us know. You know, obviously that may impact your ability to meet submission deadlines.

(John Gragell): Right.

Ann Piesen: If there's consultations with (TIPPOs) outside of those that you're already aware of, they'll let you know as well.

(John Gragell): Okay.

Ann Piesen: So yes if you need. It's a case by case type of situation.

(John Gragell): Yes. Okay. Well thank you.

Ann Piesen: Thank you.

Coordinator: (Brenda Cook), your line is open.

(Brenda Cook): Hello.

Coordinator: Please check your mute button. Your line is open.

(Brenda Cook): Hello everyone. My question, we had funds before to actually renovate and alternate our funds for this building. We already have a notice of federal interest and we already have a letter of historic preservation and it was in 2009, early 2010. Do I have to file for new for this project?

Ann Piesen: Okay. Well (unintelligible) (is) the federal interest. It was explicit to that other grant. So you have one lien for whatever CIP project that was for and now you'll have to file a separate lien for the CDBC project. And it's also for us to track, you know, where the sources of funding are coming from. So you'll have two liens on your property. The (SHIPO) likewise doc is in context of the site as well as the proposed work on the site. That's how the law works so you will have to make a separate request for (SHIPO) complication.

(Brenda Cook): Okay. Thank you.

Ann Piesen: Thanks.

Coordinator: Thank you. (Phyllis Herocki), your line is open.

(Phyllis Herocki): Yes thank you. This is regarding the NFI environmental assessment for clarification. We do have to go out for - bid for the engineer who will be performing the environmental assessment?

Ann Piesen: Okay. So the same procurement requirements apply for an environmental adjustment is if the total cost of the contract is below \$100,000 which in most cases it should (be) you just need to get three quotes. If the cost is over \$100,000 for the contract then you will need to make sure it's an open and (unintelligible) bidding process.

(Phyllis Herocki): Thank you.

Ann Piesen: Thanks.

Coordinator: (Terry Walker), your line is open now.

(Terry Walker): Yes. I just wanted to go back to a question that (David Reddy) asked about using a GMP type scenario for a construction contract. If there's a savings in the GMP at the end of the day how is that handled?

(Bill): In that case you would want to contact your project officer I think. In those cases obviously any funds that you would want to return to the federal government would be allowed.

(Terry Walker): Right.

(Bill): And in addition you could discuss, you know...

((Crosstalk))

(Bill): ...in terms of, you know, enhancing another part of the project, you know, if you're able to get the best value out of that. But I think that's something that probably would be best handled offline directly with them. There are some other peculiarities with those types of situations and one of the reasons obviously that we require the federal procurement guidelines is to get the best value for the grants for these...

(Terry Walker): Right.

(Bill): ...one-time awards. So we want there to be competition and to compete to get the best cost for each component of the project going through so.

(Terry Walker): And if it goes out as a GMP, it has to be that the GMP is, you know, provided within that RFP process. It's not like a lot of GMPs go out whereas fixe and general conditions and then the GMP is negotiated obviously afterwards. That scenario is not allowed, correct?

Ann Piesen: We can provide you more information on...

((Crosstalk))

(Bill): Yes. If you would contact your project officer with more...

(Terry Walker): Okay.

(Bill): There's certain ones that have definitely not been permitted, but there have been scenarios that have been...

(Terry Walker): Okay.

(Bill): ...allowed before so.

(Terry Walker): Okay. And another question that I had was construction versus renovation as far as the classification of the project. If it's the fit out of an existing shell without any, you know, from how I read it without any foundation work or any work below grade that's just considered a renovation project; correct?

(Bill): Yes. What happened at the time of application is the applicant selected whether based on our guidelines and what our guidelines...

(Terry Walker): (Yes).

(Bill): ...were did suggest that that type of project would be alteration renovation projects. So if that's what you selected then that is now how your project is now classified so...

(Terry Walker): Okay.

(Bill): And that's as we said earlier, it's a little bit different on how we view the federal interest with those projects. But if construction is really anything that's disturbing the outside ground expanding footings, putting expansion to buildings, or major parking lot construction those type of things are considered construction.

(Terry Walker): Okay. I'm sorry, I just have two more questions. One is an architect was used for pre-schematic kind of feasibility work. It was paid for out of the owner's own pocket kind of thing and if that entity can still be considered within the RFP process for an architect going forward?

Ann Piesen: That's going to have be discussed on a case by case basis with your grants management specialist.

(Terry Walker): Okay. So when we're getting ready to put this out as an RFP process is there anything in particular then that disqualifies that entity?

Ann Piesen: Well okay so I had mentioned earlier there's actually some specific language in the Code of Federal Regulations prohibit entities that prepare documentation for the application as not being eligible to compete for the actual contracts related to that because of the potential...

(Terry Walker): But it specifically says if they are paid for out of the owner's own finance and are not through the HRSA grant then they're acceptable as far as an entity on bidding on the RFP process as it goes forward as a new RFP.

(Bill): Well...

((Crosstalk))

(Bill): ...no. That's not - technically in this case because also we've excluded funds prior to 90 days so prior to award none of those fees whether it's paid for by whatever source it wasn't...

(Terry Walker): Right.

(Bill): ...used for participation. The point that I think Ann is trying to make is that you want it to be a fair competition and...

(Terry Walker): Okay.

(Bill): ...in that regard if something would give the architect that prepared the original drawings an unfair advantage over other architects wanted to bid on the contract...

Ann Piesen: Yes.

(Bill): ...it's something you may want to consider because it may -- you may be -- like that's why grants consider those on a case by case basis if you...

Ann Piesen: Yes.

(Bill): ...want to include...

(Terry Walker): Okay.

(Bill): ...the architect...

((Crosstalk))

Ann Piesen: So we really just can't give you an answer.

(Terry Walker): Okay. That's okay.

Ann Piesen: Okay.

(Terry Walker): With the notice of federal interest if we have a board of directors does it need a re-vote from the board of directors?

Ann Piesen: It should be - filing such documents should be done in conformance with your internal policies and procedures.

(Terry Walker): Okay. So you don't have any direct...

Ann Piesen: No.

(Terry Walker): ...direct requirements yourself?

Ann Piesen: No but we certainly don't want to be in the situation where someone files an NFI and then the board of directors comes back and said we were supposed to vote on it.

(Terry Walker): Understood.

Ann Piesen: Yes.

(Terry Walker): Okay that's it. Thank you.

Ann Piesen: Thank you.

Coordinator: Our next now I believe we have (Ed Larkins). Sir, your line is open.

(Ed Larkins): Yes thank you. This is (Ed Larkins). We have been working with a county behavioral health authority and our vision is that we will incorporate them into a behavior health primary care collaboration within this building. My understanding from what I've heard is that you cannot charge rent. However can you charge for utilities or allocate cleaning costs...

Ann Piesen: Yes.

(Ed Larkins): ...to this authority?

Ann Piesen: Yes. You just can't make a profit off of them from - and it depends if you're 100% federally funded or not, but you can charge for utilities and maintenance absolutely.

(Ed Larkins): Okay so you cannot make a profit, but you can allocate the operating costs of that space?

Ann Piesen: Right.

(Ed Larkins): Okay. Thanks.

Ann Piesen: Thank you.

Coordinator: Thank you. (John Sanasteven), your line is open.

(John Sanasteven): Okay. I got two follow up questions. So on changes to the budget because, you know, we're going to have change orders and such is there a dollar limit that we have to - before we have to consult with our project manager on those changes?

(Bill): Well in the notice of award there is some sort of broad guidelines in terms of changes of 25% or more in the costs or \$250,000 whichever is less. So on these projects it could not be at 25%, but you could easily be at \$250,000. So in that regard if your bids come in high or low that's requiring that you submit through prior approval just a budget submission to let your project officer know.

In my experience, it's good to let your project officer know if you're having either some challenges or, you know, high or low on the projects so we can assist you in more specific information on those types of situations.

Ann Piesen: Also if you're changing object class categories such as deleting costs out of one object class category and adding it into one that had not been previously identified in your budgets you should definitely call your project officer or if the budget changes reflect a scope change to the physical work that's occurring.

(Bill): Right. And that's really, I mean construction projects it's somewhat to be expected even for furniture purchases. You may have put a specific number in

there for the purchase of a computer system, but when you actually go out and get competitive quotes that price is than less. So the budget is going to be somewhat fluid in that regard. You may spend more for a chair, but less for a computer or vice versa or something like that.

Similarly with your construction contract you may, you know, when you sign the contract it may be well hopefully like under budget. But then change orders or whatever or the course of construction you may end up being at or above the original budget. So there's going to be some fluidity in that and the main thing as Ann is saying any significant changes to the scope of the project or any reasonable things that, you know, you would reasonably think would be an important facet of the project you should report it to your project officer and discuss it with them and send them some information.

Ann Piesen: And then finally because I spoke federal (lease) there with talking about object class categories what I mean was as (Bill) kind of alluded to was if you're eliminating all the cost from the line item demolition and adding it into the equipment line item we would need to know about it.

(John Sanasteven): Thanks. My second question is on the environmental assessment if we don't use the federal dollars and don't charge anything can we just follow our internal procurement practices on that...

Ann Piesen: Yes.

(John Sanasteven): ...and kind of simplify the bidding process?

Ann Piesen: Yes.

(John Sanasteven): Okay. Thank you.

Coordinator: Thank you. Now (Tewho Whaley Smith), your line is open.

(Tewho Whaley Smith): Hello. One of our other financing sources is (New Market)'s tax credits and I just wanted to check are those questions more appropriate for the grant management officer or should I be asking those now?

Ann Piesen: I would strongly recommend that you talk to your GMS and your project officer offline because those are such unique types of financing structures. Every single one is just a little different and differently complicated.

(Tewho Whaley Smith): Okay. Thank you.

Coordinator: Okay. Now (Faith Lee), your line is open.

(Faith Lee): Thank you. This goes back to the hiring on the architects. We had engaged an architect before the application was submitted and we went through this competitive bidding process and selected our architect and they did do a small quick schematic and all that which was included in the application, but they also had different phases. We'll be going into a different phase which will be the construction document phase and all that. Could we retain this architect and then include their costs? We paid them, you know, from (90) days before the grant date.

Ann Piesen: Okay. So obviously you're not claiming the cost 90 days prior to the award, but you're asking can I continue to use the architect that we had already secured the services of. And if you have gone through a competitive bidding process and you have that well documented that it meets the federal procurement requirements for competitive bidding, then you certainly could

retain them as your architect if the scope of work that you competitively bid for includes what you're now doing.

(Faith Lee): Okay.

Ann Piesen: Okay?

(Faith Lee): Okay. Do I need to contact a project officer to confirm this or I don't need to do anything else?

Ann Piesen: If you are still wanting some, you know, okay in writing and so forth I would strongly encourage you to contact your grants management specialist.

(Faith Lee): The grants management specialist, okay.

(Bill): Right. And just to clarify what Ann just said is if you competitively bid the sketch that you submitted that's not the whole scope of the project is what Ann's saying. It would be that you competitively bid the entire work of preparing the bid drawings in the construction...

((Crosstalk))

(Faith Lee): Yes. We competitively bid the entire scope of the architect services for (unintelligible) for the whole project.

(Bill): Right. If you competitively bid that to using and following the federal procurement guidelines then it sounds like you would probably be okay and you could just confirm with your grants management specialist if you have any questions.

(Faith Lee): Okay. Thank you very much.

Ann Piesen: (Right).

(Bill): Thank you.

Coordinator: Thank you. Now (Liz Brown), your line is open.

(Liz Brown): Hi. Thank you. I have two questions. First is related to submitting RFPs or issuing them. Is the health center allowed to put some specifications in there that might as a result limit the firms that could bid? So for example when we submit an architect RFP are we allowed to say that one of the specifications is they have to have worked on a community health center project?

Ann Piesen: Not necessarily a 330 community health center project, but they would had to have done health center related or health facility related work of a comparable nature. You certainly don't want to get to the point where it looks like your targeting a particular construction contractor and so yes. So yes you have to be very careful about you word it, but yes they could have similar prior experience.

(Liz Brown): Okay right. I mean in our neck of the woods, we're in Massachusetts, you know, health care is huge so I'm not really interested in any architecture firm who's done a health care project because then I would get almost every architect in the state. So I'm trying to find a way that the health center could narrow it down to be able to really have architects that have done very similar to our project.

Ann Piesen: Okay. So the language that you would want to kind of utilize does not necessarily be public health center 330 program, but how would you describe

the facility that you're intending to have an outcome of their work. And so the populations that you, you know, work for, health center facilities that provide these types of services to these types of population. You know, what your goals of the project are. You can further limit it, you just do not want to give the appearance that you're targeting a specific group or a limited number of specific contractor but...

(Liz Brown): Okay.

Ann Piesen: ...I would say let's talk about that offline if you need further assistance on that.

(Liz Brown): Okay. And my second question is related to how we use the funding in terms of the budget. So we have in our notice of award the percentage that federal funds will represent of our total project costs. Can we make a request to potentially change that to fund just one line item of our project...

Ann Piesen: No.

(Liz Brown): ...rather than a percentage of every single line item?

Ann Piesen: No because the rule is either you're drawing down as proportion to the total or you're drawing the federal funds down less because where we don't want to end up is a situation where saying your organization, but the federal funds are drawn first or very early on and then the project is not completed. So that's why it's setup that way. So...

((Crosstalk))

(Liz Brown): Okay. So we can't say for example we'd want to use it just for construction?

Ann Piesen: Right.

(Liz Brown): Because it's funding just a small piece of the total project?

Ann Piesen: I don't know if there's other non-federal activities occurring along with this project that we might benefit from further clarification on, but I'm just letting you know the general approach. So if there's something specific about the project that you've been awarded then I would call the project officer and the GMS.

(Liz Brown): Okay. Thank you.

Ann Piesen: Okay.

Coordinator: Thank you. (Henry Thompson), your line is open.

(Henry Thompson): My question was answered. I'll follow up with my project officer.

Coordinator: Thank you so much. Now (Rhonda Huff), your line is open.

(Rhonda Huff): Thank you. We have not received our award letter yet so I'm wondering about the issue dates if those are the same for everyone and secondly how do we identify who our project officer is so that we can start working toward any conditions that we have and get a hold of our award letter?

Ann Piesen: Hi, this is Ann and I'm going to suggest that you give me a call after this conference call. My direct number is 301-594-4258.

(Rhonda Huff): I'm sorry could you say that one more time?

Ann Piesen: I'm sorry, 301-594-4258.

(Rhonda Huff): Thank you.

Ann Piesen: Okay.

(Bill): And one minor note that I have happened to a couple of my grantees is that the award initially goes to your organization.

(Rhonda Huff): Yes.

(Bill): And so the individual might need to still pull it into their portfolio to see it and to receive the - the award letter you should have gotten to whoever's in the electronic handbook under your organization. So if that's not maybe not correct or needs to be revised then that would be something to talk to Ann about when you call her. Okay.

(Rhonda Huff): Okay. Well I'm sitting with her right now and she hasn't received it so.

(Bill): Okay.

Ann Piesen: Okay. So we'll talk after the call.

(Bill): Okay.

(Rhonda Huff): Thank you.

(Bill): Thank you.

Ann Piesen: Thank you.

Coordinator: Now (Theresa Nakesko), your line is open.

(Theresa Nakesko): Thank you. The question that we have is do we have to put in a notice in a newspaper when we're soliciting bids?

Ann Piesen: Okay. So it's supposed to be open and competitive so it could be a trade journal, a Web site for that particular service or a newspaper.

((Crosstalk))

Ann Piesen: ...have several options. We don't prescribe a specific methodology of open.

(Bill): Yes so...

((Crosstalk))

(Bill): ...you're trying to achieve open and fair competition so you need to evaluate what's the best way to get that whether it's on a Web site or whether it's in a newspaper or however you want to do it.

(Theresa Nakesko): Oh okay. Thank you.

Ann Piesen: Thank you.

Coordinator: Now (Leonardo Arius), your line is open.

(Leonardo Arius): Yes hi. Good afternoon. If we received an environmental historic approval letter for one of the sites from a prior (IR CIP) grant will that letter be sufficient and acceptable for this grant?

Ann Piesen: Section 106 complication and environmental sustenance are site specific and project specific so no they will not.

(Leonardo Arius): Oh okay.

Ann Piesen: They only relate to your CIP and nothing else.

(Leonardo Arius): Okay very well. All right. Thank you so much.

Ann Piesen: (Unintelligible).

Coordinator: Thank you. Now (Sarah Hoshaw), your line is open ma'am.

(Sarah Hoshaw): Yes. We had a question that was similar to one of the others. We have already competitively bid both our contractor and our architect in preparation for our proposal. However that was over 90 days ago so does that time span come into factor?

Ann Piesen: No. I mean only in terms of the cost that you're claiming, but in terms of the competitive procurement part no.

(Sarah Hoshaw): Okay. Thank you.

Ann Piesen: Thank you.

Coordinator: (John Sanasteven), your line is open.

(John Sanasteven): Okay. I got a follow-up question on limiting the number of bidders or, you know, we're getting calls from every contractor around that read the

announcement. So I can pre-qualify a certain number of contractors based on, you know, requirements, qualifications and such and then just have that pool bid on the project?

Ann Piesen: Yes. You can do a request for qualification first and then go through a separate process for a competitive bidding.

(John Sanasteven): Okay. So I can do that for both the contractor and the architects then?

Ann Piesen: Yes.

(John Sanasteven): Okay. And then there's the small minority owned business requirements. Are they applicable to this grant?

Ann Piesen: Oh yes and I would strongly recommend that everyone read 45 CFR 74 and 92. It's applicable. The procurement section talks about everything that you need to consider.

(John Sanasteven): Okay. Thank you.

Ann Piesen: Thanks.

Coordinator: Now again if you do have a question, please press star then 1 and record your name so that your question could be introduced. My last question at this time is from (Faith Lee). Ma'am, your line is open.

(Faith Lee): Thank you. I've got a question regarding the budget that we submitted. When we submitted the application was based on a pretty rough estimate of the budget and then that's how we would determine our federal share percentage. Now we have a better handle on the numbers and that would change our

federal share percentage a little bit. Should we submit the revised budget at this time or should we wait until we get the construction budget first...

Ann Piesen: Well...

(Faith Lee): ...before changing?

Ann Piesen: I would talk to you about...

((Crosstalk))

(Faith Lee): Because that would affect - pardon me?

Ann Piesen: So I understand what you're saying, I would definitely - most grantees have a revised budget condition on their award as it is so you probably already have something that you need to submit to so I would just go ahead and talk to your project officer. But yes if it changes your federal share of the project now that you have a slightly better idea of what the total project costs are, yes you can address that with them as well.

(Faith Lee): Okay. Another question is there any limit as to how many budget revisions you could have?

Ann Piesen: Well I would say that if you feel that costs are going to change significantly in the future, you should talk to your project officer whether a prior approval request might be needed. Hopefully people will not be submitting unlimited numbers of budget revisions.

(Faith Lee): Of budget revisions, yes.

Ann Piesen: Yes.

(Bill): What we do though and, you know, like I said earlier in a construction project or even on equipment purchases it becomes somewhat fluid and as you're purchasing pieces or as you're signing these contracts and as construction progresses (unintelligible) quarterly report is a good place to report minor changes...

Ann Piesen: Yes.

(Bill): ...to say, you know, we, you know, whatever if it looks like a particular item is going to be lower than you thought because then by the next quarter it may have changed, you know. Sometimes...

((Crosstalk))

(Faith Lee): Or they go the other way.

(Bill): So the quarterly report's a good way to report some, you know, reasonably minor changes to the contract (and that sort of things). Okay?

(Faith Lee): Okay. All right. Thank you very much.

Ann Piesen: Thank you.

Coordinator: (Joan Vondi), your line is open ma'am.

(Joan Vondi): Thank you. A question, on our total project costs we included the unallowable. In the unallowable we put in the column that would get other funding to come up with our total project cost. Is that done correctly?

Ann Piesen: Well we do need to know what the total scope of work is so yes you did that correctly if you put unallowable project costs on the unallowable costs line.

(Joan Vondi): Okay.

(Bill): No I think what she's saying if I'm hearing you correct yes if - allowable costs are defined in the funding opportunity announcement. And so if it truly is unallowable under those requirements then it should be in the unallowable column. But if it's just things that you want to purchase on your own or you have a loan for specific things, it's not necessary for you to exclude everything that you're paying for yourself. That doesn't make it unallowable if you're going to use your own funds for that. So it really should be the total - the total project should only have unallowable items that are truly unallowable under the program guidance.

The only exception that we've used before is if you have a separate grant that purchases equipment for a project and is specifically targeted for specific part of the project like equipment then that would be - you could put that on the unallowable column since you wouldn't want to be using any of the grant funds for those particular purchases. But otherwise it would just lower your federal percentage if some of it's being purchased by your own funds or by a loan and others by the grant so.

(Joan Vondi): Well then that leads me to a second question because the cost of buying the property is in the unallowable costs and then our total project the percentage of federal draw down is set at about 76%. But we're going to be buying the property right now up front. I'm a little confused on the draw down percentage.

Ann Piesen: It's based on the total allowable budget cost. So if it's an unallowable cost it was not included in the percentage.

(Bill): Yes. The percentage would have been coming out of that column C that's the total allowable cost. So obviously we can't (use) any grant funds for the purchase of the property so you wouldn't...

(Joan Vondi): Okay.

(Bill): ...you wouldn't draw anything for that purchase.

(Joan Vondi): But we had that in there as part of the total project and we kept the cost of both the property in non-federal grants or non-federal money.

Ann Piesen: But if you identified it as unallowable then it should not have been calculated as part of the total project costs by which the percentage of the federal grant funds are calculated so...

(Joan Vondi): Okay. Then we need to fix that so we'll talk to our project manager.

Ann Piesen: Yes that's...

((Crosstalk))

(Bill): Yes that would be a good idea on that.

(Joan Vondi): Thank you.

Coordinator: Thank you. Now (Philip Sunn), your line is open.

(Philip Sunn): Hello. Hello?

Coordinator: Yes sir, your line is...

(Philip Sunn): Thank you. I have one, I'm confirming that the release date May 1 is our start date as opposed to the date of issue?

Ann Piesen: Yes. Yes your date is the release date is May 1. That's the date all your submission deadlines are based upon.

(Philip Sunn): Okay.

Ann Piesen: (Unintelligible) issue date is just when it went through the internal process of approval within grants that's all.

(Philip Sunn): So in the electronic handbook those dates should be set off the May 1 date?

Ann Piesen: Yes.

(Philip Sunn): So the 60-day submission would be about July 1?

Ann Piesen: Yes.

(Philip Sunn): Another one is a portion of our project is actually equipment or modular equipment that will end up on the site are those required to have performance bond either modular or unit?

Ann Piesen: Are they being permanently affixed?

(Philip Sunn): They are...

Ann Piesen: Are they being put on a concrete pad?

(Philip Sunn): Yes they are.

Ann Piesen: Okay. Then they're construction and you should have it bonded.

(Philip Sunn): Okay. All right.

Ann Piesen: If it's \$100,000 it's part of that overall contract.

(Philip Sunn): Okay. We don't get a sense that we need an architect. The discussion has been about architects. We have online a need for engineers so all those requirements would apply to the engineers, correct?

Ann Piesen: Yes.

(Philip Sunn): Okay.

(Bill): But you still make sure that you're complying with all the codes whether it's done at the manufacturing level or in the local level of the construction that they're complying with all the local and national building codes in the...

(Philip Sunn): Yes.

(Bill): ...product being installed.

Ann Piesen: I mean I understand that, you know, conceptually modular fields very different than the onsite traditional stick built building, but the reality is it's still a building. It's just being trucked in and assembled on site. So it's still a

construction project and it still has to meet codes and so forth as (Bill) had indicated.

(Philip Sunn): Yes I understand and there is a component of construction on the site. Can the engineer certify compliance (to) code? Hello?

(Bill): Well if you look at the form that's provided on our Web site. It's project implementation certification that's what we're requiring though you would need your engineer to submit or possibly like I said the modular building manufacturer submitted that they're in conformance with those. But it's a form that we use so you would want to look at that form and that's what we'd require for you to submit on that.

(Philip Sunn): All right. Thank you. No problem. Now one other question about no (unintelligible) you had indicated that.

Ann Piesen: Yes.

(Philip Sunn): All right. Do we get any labor on state sales tax?

Ann Piesen: It's unusual. I know there are several states that do require sales tax. I'm not sure what state you're in, but generally you should be exempt from sales tax if you're a non-profit.

(Philip Sunn): We are a 501(C)(3). We are an SQHC. But in our state unless you're specifically outlined, they don't exempt it.

Ann Piesen: I think we'll need to talk about that offline.

(Philip Sunn): Okay.

Ann Piesen: There's only a few states and construction tends to have some complexities that SQHCs have not encountered before. So let's talk about it offline with your project officer.

(Philip Sunn): Thank you very much. That's all for me.

Ann Piesen: Thank you.

Coordinator: Thank you. Now (Kristie Chambers), ma'am your line is open.

(Kristie Chambers): Hi there. Can you hear me?

Ann Piesen: Yes.

(Bill): Yes.

(Kristie Chambers): Excellent. I'm wondering in the RFP process and just making sure that we are allowing good competitive bids. I've been approached by several contractors and I do want to at least start having conversations and chairing the floor plan and I'd like to get a sense and feel for what the different offerings may be before I put out a formal RFP and I'm wondering if that's okay or if a formal RFP needs to go out prior to having any of these conversations?

Ann Piesen: I mean it sounds like you want to do market research and at a certain level that's fine. But ultimately everyone needs to have access to the same information when you actually make the formal RFP.

(Kristie Chambers): Okay. And again I mean I'm looking to potentially share the floor plans of what we're proposing with people who have expressed interest and I would share those floor plans with anyone who expressed interest. Is that overstepping a boundary?

Ann Piesen: Well one you need to check your own internal procurement guidelines, but ultimately as long as you're not having conversations that would lead you in a position they were giving unfair preference. As I said all the information is ultimately made available to the folks who would be bidding on the project and that should be okay if it's purely in the interest of market research.

(Kristie Chambers): Okay very good. And then are there examples of RFPs out there that would be available to look at and tailor to our needs?

Ann Piesen: We do not provide that specifically. I don't know that within your PCA or within (unintelligible)...

(Kristie Chambers): Okay.

Ann Piesen: ...they have any of that available.

(Kristie Chambers): Okay terrific. Thank you.

Ann Piesen: Thank you.

Coordinator: Thank you. (Sarah Cruz), your line is open.

(Sarah Cruz): Hi everyone. Once we have selected our architect for the project if they come in and identify things that we need to modify in our schematic floor plan how much leeway are we permitted in terms of modification so that - I would

imagine we keep in touch with our project officer, but if they like identify something that's just not going to work with the building the way we've originally planned it can we make some modifications to that at this point?

Ann Piesen: It depends again as we've been saying like significant changes in costs, significant footprint changes, changes that would affect the services be delivered, site location definitely talk to your project officer. You know, if early on the process if you are not feeling comfortable gauging that yourself feel free to contact your project officer just to make sure.

(Sarah Cruz): Thank you.

Ann Piesen: Thanks.

Coordinator: If you do have a request, please press star then 1. My last at this is from (Faith Lee). Ma'am, your line is open.

(Faith Lee): Thank you. I have a question regarding unallowable cost. If costs were incurred prior to 90 days that by itself does not make it end up on our low cost column would it?

Ann Piesen: Yes.

(Faith Lee): It would?

Ann Piesen: Well if you've incurred the costs prior to 90 days before the award then it's unallowable.

(Faith Lee): For the cancellation of the federal share percentage?

Ann Piesen: Yes, but I don't have your specific budget in front of me so I think before we talk about percentages without seeing anything you need to talk to your project officer. But to that first part of the question, you know, costs incurred prior to 90 days are unallowable to the grant award specifically.

(Faith Lee): Okay.

((Crosstalk))

(Faith Lee): All right. Thank you.

Ann Piesen: Thanks.

Coordinator: Thanks. Now at this time I have no further questions in queue.

Ann Piesen: All right. Well I guess that concludes our conference call. And those that are left on the call, please feel free to contact your project officers and grant management specialists if you have any further questions. Thank you for participating.

(Bill): Yes thank you very much.

Coordinator: As the concluded is concluded again thank you for your participation. All lines may please disconnect.

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