

U.S. Department of Health and Human Services



Health Resources & Services Administration

Office of Federal Assistance Management

Congressionally Directed Spending (CDS): Construction Projects

Project Guidance Number: HRSA-22-134

Assistance Listings (AL/CFDA) Number: 93.493

Project Guidance

Fiscal Year 2022

Application Due Date: June 6, 2022

Ensure your [SAM.gov](https://sam.gov) and [Grants.gov](https://grants.gov) registrations and passwords are current immediately! Registration in all systems may take up to 1 month to complete.

Issuance Date: March 31, 2022

Authority: FY 2022 Consolidated Appropriations Act (P.L. 117-103)

Note: This announcement is not open to the public.

508 COMPLIANCE DISCLAIMER

Note: Persons using assistive technology may not be able to fully access information in this file. For assistance, please email or call one of the HRSA staff listed in [Section VII. Agency Contacts](#).

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I. Project Description

1. Purpose

This is a non-competitive announcement for Congressionally Directed Spending (CDS): Construction Projects that will be funded through the Health Resources and Services Administration's Office of Federal Assistance Management (OFAM). This document provides guidance for how to submit an application to receive CDS funding, general information about the projects including funding amounts and limitations, administrative and national policy requirements, and other important information.

Funding is limited to the named entities and for the purposes identified in the [Consolidated Appropriations Act, 2022](#) (P.L. 117-103).

Applications may be submitted for:

- Construction and Modernization projects with or without equipment
- "Design-Only" (planning portion of a construction project)
- Equipment only
- Other construction and renovation related activities

2. Background

HRSA's mission is to improve health outcomes and achieve health equity through access to quality services, a skilled health workforce, and innovative, high-value programs.

Congress appropriated funding in the FY 2022 Consolidated Appropriations Act (P.L. 117-103) for congressionally directed spending projects that relate to the construction and renovation (including equipment) of health care and other facilities.

All recipients of Congressionally Directed Spending (CDS) must submit an application in order for the funds to be officially awarded. Your application must contain the items listed in this Project Guidance. Additional information to assist you in completing the application documents can be found in the Appendix.

To further assist you, OFAM will be hosting a Technical Assistance Webinar. See [Section VIII](#) for details.

Incomplete applications may result in a delayed award until all necessary components are received.

Definitions

Congressionally Directed Spending – language in an authorization act or appropriations act that requires HRSA to make an award(s) to a named recipient(s) for a particular project or activity.

Construction - the erection of a building, structure or facility, including the installation of equipment, site preparation, landscaping, associated roads, parking, environmental mitigation and utilities, which provides space not previously available. It includes freestanding structures, additional wings or floors, enclosed courtyards or entryways, and any other means to provide usable space that did not previously exist (excluding temporary facilities)

Equipment – tangible personal property or moveable equipment are non-expendable equipment items, with a useful life of more than one year that can be readily shifted from place to place without requiring a change in the utilities or structural characteristics of the facility.

Modernization – the alteration, repair, remodeling and/or renovation of a building (including the initial equipment thereof and improvements to the building's site) which, when completed, will render the building suitable for use by the project for which the grant is made. Construction is specifically excluded.

Project costs – total allowable costs incurred under a federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

II. Award Information

1. Type of Application and Award

HRSA will provide funding in the form of a grant.

2. Summary of Funding

HRSA has provided each recipient an email containing information on the funding level and purpose. This is one-time funding and projects are for limited to a three- year period of performance.

HRSA will award CDS as new grant awards pursuant to a Congressional Directive authorized and appropriated in the FY 2022 Consolidated Appropriations Act (P.L. 117-103). Under [45 C.F.R. § 75.302](#), you must document use of CDS funds separately and distinctly from other federal awards.

III. Eligibility Information

1. Eligible Applicants

Eligible entities are those organizations identified by Congress to receive specific amounts of funding for specific construction-related projects under the FY 2022 Consolidated Appropriations Act (P.L. 117-103).

2. Cost Sharing/Matching

Cost sharing/matching is not required.

IV. Application and Submission Information

1. Application Package

You (the applicant organization/agency) should follow the instructions in HRSA's SF-424 Application Guide, available online, except where instructed in this Project Guidance to do otherwise. The [SF-424 Application Guide](#) is for preparing and submitting applications through Grants.gov to HRSA using the SF-424 Workspace Application Package.

HRSA **requires** you to apply electronically. You can apply through [Grants.gov](#) using the SF-424 workspace application package associated with this Project Guidance following the directions provided at [Grants.gov: HOW TO APPLY FOR GRANTS](#).

2. Content and Form of Application Submission

Applicants notified to apply for funding under the CDS: Construction Project HRSA-22-134, must review Section 4 of HRSA's SF-424 Application Guide which provides general instructions for the budget, budget narrative, etc. Additionally, you must submit the project-specific information below. A SF-424C "Budget Information for Construction Program" form is required. This form is in the application package in Grants.gov.

Application Page Limitation

The suggested page range for your application is 16-30 pages, which may vary, depending on your project.

Instructions for Submitting Project Abstract and Narrative

You must submit your application consistent with the following Project Abstract and Project Narrative format.

i. Project Abstract

Submit your project abstract using the Project Abstract Summary Form 2.0. This form is in the application package in Grants.gov. For information required in the Project Abstract Summary Form, see Section 4.1.ix of HRSA's [SF-424 Application Guide](#).

ii. Project Narrative (suggested page range: 3 - 7 pages)

The project narrative provides a comprehensive description of all aspects of the proposed project.

Use the following section headers for the construction project narrative:

- **PROJECT DESCRIPTION** -- Provide a detailed description for the project:
 - Physical location. Indicate if the property is leased or owned.
 - Describe the specific scope of activities and how it aligns with what the CDS funding was provided for, as applicable, such as:
 - Purchases of equipment items.
 - Creation of a new stand-alone structure or expansion of an existing structure to increase the total square footage.
 - Improvement and/or reconfiguration of the interior arrangements of an existing facility.
 - Installation of permanently affixed equipment.
 - Modifications and/or repairs to the building exterior (including windows).
 - Heating, ventilation, and air-conditioning (HVAC) modifications (including the installation of climate control and duct work).
 - Electrical upgrades and/or plumbing work.
 - Identify the project activities in terms of dimensions, square footage, and clinical and non-clinical area(s) to be impacted.
 - Identify the project activities in terms of dimensions, square footage, and clinical and non-clinical area(s) to be impacted.
 - Describe the proposed method of construction such as design/build, construction management at risk, by the applicant's own forces, or whether a third- party construction manager will be used.

- **TIMELINE**

Describe the activities or steps required to complete the project. Use a timeline that includes each of the following activities and identifies responsible staff:

 - Planning
 - Design
 - Obtaining required permits and/or variances
 - Meeting Federal environmental and historic preservation requirements
 - Solicitation of bids and awarding of contracts
 - Alteration/renovation or construction period
 - Expected project completion date

EQUIPMENT LIST (AS APPLICABLE)

If you propose to use CDS funds for equipment, complete an Equipment List (consistent with your Budget Narrative). Include all moveable equipment that has a useful life of more than one year and including information technology systems. Moveable equipment can be readily shifted from place to place without requiring a change in the utilities or structural characteristics of the space. Any equipment

purchased with CDS funds must be procured, maintained, tracked, and disposed of in accordance with [45 CFR part 75](#).

Include the following fields for each item:

- **Item Description** – Provide a description of each item.
- **Unit Price** – Provide the price of each item.
- **Quantity** – Provide the number of each item to be purchased.
- **Total Price** – Calculate total price. This should match your Budget.

The selection of equipment should be based on a preference for recycled content, non-hazardous substances, non-ozone depleting substances, energy and water efficiency, and consideration of final disposal (disposed in a manner that is safe, protective of the environment, and compliant with all applicable regulations), unless there are conflicting health, safety, and performance considerations. You are strongly encouraged to employ the standards established by either the Electronic Product Environmental Assessment Tool (EPEAT) or ENERGY STAR®, where practicable, in the procurement of equipment. Following these standards will mitigate the negative effects on human health and the environment. Additional information for these standards can be found at <http://www.epeat.net> and <http://www.energystar.gov>.

iii. **Budget**

Complete the SF-424C for the proposed project. See the Form Instructions on Grants.Gov version 2.0 for the SF-424C at [SF-424 Family | GRANTS.GOV](#). See HRSA's [SF-424 Application Guide](#) and [Appendix B](#) for an inventory of allowable and unallowable costs for construction projects.

iv. **Budget Narrative** (suggested page range 1 - 3 pages)

The budget justification narrative must describe all line-items on budget form SF-424C (including subawards) proposed for this project for the three-year period of performance.

If your proposal includes hiring new personnel, awarding contracts, or making sub-awards, then you must take into account the processes and time needed to put these parts of your plan in place.

Unallowable costs are outlined in [Appendix B: Allowable and Unallowable Costs for Construction Projects](#).

Under [45 C.F.R. § 75.302](#), you must document use of CDS funds separately and distinctly from other federal awards.

Format the budget narrative to have all columns fit on an 8.5 x 11 page when printed.

v. **Attachments** (suggested page range: 12 - 20 pages)

Provide the following items in the order specified below to complete the content of the application. You must upload attachments into the application.

Attachment 1: Budget Justification – *Required for all projects*

Provide a budget justification that provides a concise cost estimate, showing quantities, unit prices, and total cost for each line item/costs classification in the budget breakout of allowable and unallowable costs for each line item. Specifically, please present this information in a chart or table format and with the following categories: description, quantities, unit costs (allowable and unallowable) and total costs (allowable and unallowable).

Attachment 2: Environmental Information Document (EID Checklist) - *Required for Modernization (Alteration/Renovation) and/or Construction activities*

Provide a completed [EID Checklist](#) for the project.

Attachment 3: Floor Plans/Schematic Drawings/Site Plan – *Required for Modernization (Alteration/Renovation) and/or Construction activities*

Provide a floor plan drawn to scale for the proposed project. Documents must include rough dimensions and room labels for major project components. Drawings should clearly identify the proposed project components, as well as distinguishing improved space from unaffected space.

Where the project or a related component of the work will require activities outside of a building, provide a site plan for the proposed project showing the general layout and location of the existing site conditions. The plan should clearly diagram the location of the project and indicate the uses and structures proposed for the parcel of land. As applicable, include locations and details on any proposed work or connected activity. Where a project includes only interior renovation of an existing facility, provide a site plan or key plan showing the space(s) to be renovated and the functional relationship within the building. Documents should label major project components and include rough dimensions.

Attachment 4: Property Information – *Required for Modernization (Alteration/Renovation) and/or Construction activities*

Provide a copy of the title, deed, or lease for the project.

Applicants proposing a project on a leased property must provide a Landlord Letter of Consent (see the Leasehold Improvements section in [VI. Award Administration Information](#) for additional information on the expectations associated with lease agreements).

3. Unique Entity Identifier (UEI) and System for Award Management (SAM)

The UEI, a “new, non-proprietary identifier” assigned by the System for Award Management ([SAM.gov](#)), will replace the *Data Universal Numbering System (DUNS) number.

Effective April 4, 2022:

- You can register in SAM.gov and you will be assigned your UEI (SAM) within SAM.gov.
- You will no longer use UEI (DUNS) and that number will not be maintained in any Integrated Award Environment (IAE) systems (SAM.gov, CPARS, FAPIIS, eSRS, FSRS, FPDS-NG). For more details, visit the following webpages: [Planned UEI Updates in Grant Application Forms](#) and [General Service Administration's UEI Update](#).

You must register with SAM and continue to maintain active SAM registration with current information at all times during which you have an active federal award or an application or plan under consideration by an agency (unless you are an individual or federal agency that is exempted from those requirements under 2 CFR § 25.110(b) or (c), or you have an exception approved by the agency under 2 CFR § 25.110(d)). For your SAM.gov registration, you must submit a notarized letter appointing the authorized Entity Administrator.

HRSA will not make an award until you have complied with all applicable SAM requirements.

If you have already completed Grants.gov registration for HRSA or another federal agency, confirm that the registration is still active and that the Authorized Organization Representative (AOR) has been approved.

*Currently, the Grants.gov registration process requires information in three separate systems:

- Dun and Bradstreet (<https://www.dnb.com/duns-number.html>) (through April 3, 2022)
- System for Award Management (SAM) (<https://sam.gov/content/home> | [SAM.gov Knowledge Base](#))
- Grants.gov (<https://www.grants.gov/>)

For more details, see Section 3.1 of HRSA's [SF-424 Application Guide](#).

4. Submission Dates and Times

Application Due Date

The due date for applications under this NOFO is *June 6, 2022 at 4:59 p.m. ET*.

If you do not meet the deadline, your funding may be delayed. Sufficient time is needed for HRSA to process applications and award funds.

Applicants that wish to request an extension to the due date should contact the CDS Program at CDSProgram@hrsa.gov.

5. Intergovernmental Review

Congressionally directed spending projects are not subject to the provisions of Executive Order 12372, as implemented by 45 CFR part 100.

See Section 4.1 ii of HRSA's [SF-424 Application Guide](#) for additional information.

6. Funding Restrictions

Funds under this announcement must be used for the purposes outlined by Congress. Additional restrictions may be applicable in the Awards section.

The General Provisions in Division H of the FY 2022 Consolidated Appropriations Act (P.L. 117-103) apply to this announcement.

Grant funds for construction or modernization cannot be provided to a federal institution or foreign organization (including domestic grants with a foreign component), unless specifically made eligible by the governing statute.

You are required to have the necessary policies, procedures, and financial controls in place to ensure that your organization complies with all legal requirements and restrictions applicable to the receipt of federal funding including statutory restrictions on specific uses of funding. It is imperative that applicants review and adhere to the list of statutory restrictions on the use of funds detailed in Section 4.1 of HRSA's [SF-424 Application Guide](#).

HRSA recipients and sub-recipients must follow the requirements at 2 CFR § 200.216 regarding prohibition on certain telecommunications and video surveillance services or equipment. For details, see the [HRSA Grants Policy Bulletin Number: 2021-01E](#).

Applicants may not request more or less than the designated amount of one-time funding identified in the FY 2022 Consolidated Appropriations Act (P.L. 117-103).

V. Application Review Information

1. Review

HRSA will review each application for completeness and eligibility, all required documents, and compliance with the requirements outlined in this Project Guidance.

2. Assessment of Risk

HRSA is required to review and consider any information about your organization that is in the [Federal Awardee Performance and Integrity Information System \(FAPIIS\)](#). You may review and comment on any information about your organization that a federal awarding agency previously entered.

HRSA may apply special conditions of award to applicants with management or financial instability that directly relates to the organization's ability to implement statutory, regulatory, or other requirements ([45 CFR § 75.205](#)).

VI. Award Administration Information

1. Award Notices

HRSA will release the Notices of Award (NOAs) on or around the start date of June 6, 2022. See Section 5.4 of HRSA's [SF-424 Application Guide](#) for additional information.

2. Administrative and National Policy Requirements

Applicants notified to apply for funding under HRSA-22-134 will refer to Section 2.1 of HRSA's [SF-424 Application Guide](#).

In accepting the award, you agree that the award and any activities thereunder are subject to:

- all provisions of 45 CFR part 75, currently in effect or implemented during the period of the award; and
- other federal regulations and HHS policies in effect at the time of the award or implemented during the period of award.

Requirements of Subawards

The terms and conditions in the NOA apply directly to the recipient of HRSA funds. The recipient is accountable for the performance of the project, program, or activity; the appropriate expenditure of funds under the award by all parties; and all other obligations of the recipient, as cited in the NOA. In general, the requirements that apply to the recipient, including public policy requirements, also apply to subrecipients under awards, and it is the recipient's responsibility to monitor the compliance of all funded subrecipients. See [45 CFR § 75.101 Applicability](#) for more details.

Applicants notified to apply for funding under HRSA-22-134 will refer to [Appendix A: National and Administrative Policy Requirements](#) for pertinent requirements.

3. Reporting

Applicants notified to apply for funding under HRSA-22-134 must comply with Section 6 of HRSA's [SF-424 Application Guide](#) and the following reporting and review activities:

- 1. Progress Report(s).** You must submit a progress report to HRSA on a semi-annual basis. The progress report will include the following, as applicable:
 - a. Project completion status (percent complete)
 - b. Actual versus projected budget information
 - c. Construction Schedule
 - d. Earned Value Management
 - e. Project Implementation Certification (separate submission)
- 2. Final Reporting Requirements.** You must submit a final report for the awarded project within 90 days of the completion of the period of performance. The report will include the following items as applicable:
 - a. Photos of the completed project, including "before" photos
 - b. Certificate of substantial completion

- c. Certificate of occupancy
 - d. Letter stating that the project was completed in accordance with previously certified contract documents and in accordance with all applicable federal statutes and regulations.
- 3. Federal Financial Report.** The Federal Financial Report (SF-425) is required within 90 days of the end of each year of the reporting period. The report is an accounting of expenditures for the specified year and should reflect cumulative reporting within the project period of the document number. All FFRs will be submitted through the Payment Management System (PMS).
 - 4. Submit the SF-428 Tangible Personal Property Report.** Due within 90 days of the period of performance end date. Tangible personal property means property of any kind, except real property, that has physical existence. It includes equipment and supplies. It does not include copyrights, patents, or securities.
 - 5. Ad Hoc Submissions:** Throughout the period of performance, HRSA may determine that a project requires additional information for each awarded project to be submitted beyond the standard deliverables. This information may include, but is not limited to, the following:
 - a. Purchase orders
 - b. Contract documentation
 - c. Project implementation photos
 - 6. If applicable, Integrity and Performance Reporting.** The NOA will contain a provision for integrity and performance reporting in [FAPIS](#), as required in [45 CFR part 75 Appendix XII](#).

OMB revisions to Guidance for Grants and Agreements termination provisions located at [2 CFR § 200.340 - Termination](#) apply to all federal awards. No additional termination provisions apply unless otherwise noted.

VII. AGENCY CONTACTS

You may request additional information and/or technical assistance regarding business, administrative, or fiscal issues related to this NOFO by contacting:

Hazel N. Booker
Grants Management Specialist
Division of Grants Management Operations, DGMO
Health Resources and Services Administration
5600 Fishers Lane, Mailstop 10SWH03
Rockville, MD 20857
Telephone: (301) 443-4236
Email: CDSProgram@hrsa.gov

You may request additional information regarding the overall program issues and/or technical assistance related to this NOFO by contacting:

Julia Bryan
Office of Special Activities
Office of Federal Assistance Management, OFAM
Health Resources and Services Administration
5600 Fishers Lane, Room 10W-35
Rockville, MD 20857
Telephone: (301) 443-6707
Email: CDSProgram@hrsa.gov

You may need assistance when working online to submit your application forms electronically. Always obtain a case number when calling for support. For assistance with submitting the application in Grants.gov, contact Grants.gov 24 hours a day, 7 days a week, excluding federal holidays at:

Grants.gov Contact Center
Telephone: 1-800-518-4726 (International callers dial 606-545-5035)
Email: support@grants.gov
[Self-Service Knowledge Base](#)

VIII. OTHER INFORMATION

Technical Assistance

HRSA has scheduled the following technical assistance:

Webinar

Day and Date: Thursday, April 7, 2022
Time: 1 – 2 p.m. ET

Weblink: <https://hrsa.gov.zoomgov.com/j/1616892934?pwd=K1VWc21JM0lRQ28xVkdGREhJYlplNZz09>

Attendees without computer access or computer audio can use the dial-in information below

Call-In Number: 1- 833-568-8864
Meeting ID: 161 689 2934
Passcode: 06043205

HRSA will record the webinar. Please contact CDSProgram@hrsa.gov for playback information.

Appendix A: National and Administrative Policy Requirements

See Section 2.1 of HRSA's [SF-424 Application Guide](#).

When you receive a NOA, in accepting the award, you agree that the award and any activities thereunder are subject to all provisions of 45 CFR part 75, currently in effect or implemented during the period of the award, other regulations such as 2 CFR part 200 and agency policies in effect at the time of the award or implemented during the period of the award, and applicable statutory provisions.

Accessible Design Requirements

The Architectural Barriers Act of 1968, as amended, the Federal Property Management Regulations 101-19.6 (41 CFR 101-19.6), and the Uniform Federal Accessibility Standards issued by the General Services Administration (41 CFR 101-19.6, Appendix C) set forth minimum design standards for making facilities designed, built, altered, or leased with federal funds accessible to, and usable by, the physically handicapped. In addition, the Americans with Disabilities Act, included accessibility standards, called the 2010 Standards for Accessible Design (2010 Standards), which establish minimum criteria for accessibility in design and construction. More information about the ADA and Architectural Barriers Act Accessibility Requirements are available online at <https://www.access-board.gov/guidelines-and-standards/buildings-and-sites>.

Procurement

You may acquire a variety of commercially available goods or services in connection with an award-supported project. You can use your own procurement procedures that reflect applicable state and local laws and regulations, as long as those procedures conform to the applicable U.S. Department of Health and Human Services (HHS) regulations, and the HHS Grants Policy Statement.

Force Account Labor

If you choose to use your in-house personnel for in-house design work and/or in-house renovation work in lieu of selecting a private firm, you must obtain approval from HRSA prior to beginning the design phase. The total cost for in-house personnel plus the fee for the architect and engineer must not exceed the prevailing architectural and engineering fee costs (usually 5 to 15 percent of the construction bid cost).

Federal Interest

Real Property

The Federal Government retains a reversionary interest in real property constructed, acquired, or improved with federal funds. The federal interest is based on the total allowable project costs (federal), excluding movable equipment, as a percent of the value of the property after completion of the project. In addition:

- For Modernization (alteration/renovation) projects, federal interest exists for the useful life attributable to the alteration/renovation funded under this award. Alteration/renovation projects totaling an allowable project cost (federal and non-federal) of \$500,000 or greater (excluding moveable equipment) are required to file a Notice of Federal Interest (NFI) against the property title. The level of federal interest may decline with physical depreciation or replacement of the alteration/renovation made to the asset. The level of federal interest is calculated by a certified appraisal of the property at the time of project completion.
- For all construction projects, regardless of award amount, you are required to file an NFI.
- For equipment only projects, you are not required to file an NFI.

The NFI requires prior written approval in order for the property owner to mortgage, sell, transfer, or use the property for a purpose inconsistent with the award. A notarized NFI must be filed against the property deed prior to construction in the appropriate public records office of the jurisdiction in which the property is located and once filed, a copy must be provided to the appropriate HRSA Grants Management Specialist.

Leasehold Improvements

While leasehold improvements are allowed under this funding, please note:

- a) Lessors/Property Owners must provide a Landlord Letter of Consent in Attachment 6, and agree in writing to the following:
 - Permit the grantee to undertake the proposed alteration/renovation project,
 - Length of the lease must be appropriate to the scope of project, e.g., the length of the lease extends for a minimum of 5 years from the period of performance end date,
 - Acknowledge federal interest in the project, and file a Notice of federal Interest against the property title in the local jurisdiction before the project begins (as applicable), and
 - Agree to modify the lease with additional terms that indicate the continued rights of the recipient/Federal Government in the event that the lessor of record changes.
- b) HRSA will determine if the term of the lease is long enough for the full value of the award-supported improvements to benefit the award activity. HRSA will consider the purpose and duration of the award, expected life of the facility, and use of the facility for award-supported purposes.
- c) Lease agreement must provide the applicant reasonable control.¹

¹ "Reasonable control" is defined as the ability to implement the project and realize the benefits of the project without unnecessary demands, such as unreasonably restrictive access and limited control, at the site.

- d) Funds may not be used to pay lease costs.
- e) Funds for a leased property cannot address needs that are part of the terms of the lease (i.e., the responsibility of the lessor/property owner).
- f) If funds address improvements that impact terms of the lease (e.g., double paned windows), you must have written evidence of negotiated offset in the rent.

All other improvements that comply with the requirements of this Project Guidance are allowable.

For alteration/renovation projects proposed in leased facilities, you must provide evidence that the lease includes the following language, whether as a provision of a new lease or an amendment to an existing lease, agreed to by both the recipient (occupant) and lessor (owner):

- a) Recipient agrees not to sublease, assign, or otherwise transfer the leased property, or use the property for a non-award-related purpose(s) without the prior written approval from HRSA (at any time during the term of the lease, whether or not award support has ended);
- b) Lessor will inform HRSA of any default by the recipient under the lease;
- c) HRSA shall have 60 days from the date of receipt of the lessor's notice of default in which to attempt to eliminate the default, and that the lessor will delay exercising remedies until the end of the 60-day period;
- d) HRSA may intervene to ensure that the default is eliminated by the recipient or another recipient named by HRSA;
- e) Lessor shall accept payment of money or performance of any other obligation by the HRSA's designee, for the recipient, as if such payment of money or performance had been made by the recipient; and
- f) In the event that the recipient defaults, HRSA will terminate the award, or the recipient will vacate the leasehold before the end of the lease term. HRSA shall have the right to designate a replacement for the recipient for the balance of the lease term, subject to approval by the lessor, which will not be withheld except for good reason.

In addition, the lessor/property owner must agree to file a Notice of Federal Interest (NFI) against the property title in the local jurisdiction before the project begins (if the proposed net project cost, less movable equipment, is \$500,000 or greater).

Environmental Review

The National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. 4321 (P.L. 91-190, Sec. 2, Jan. 1, 1970, 83 Stat., 852), including Public Disclosure, Section 102 of NEPA, and EO 11514, requires federal agencies to assess the environment impacts of major federal actions, including construction projects supported in whole or in part through federal contracts, grants, subsidies, loans, or other forms of funding assistance.

If after reviewing the project description and the EID, HRSA determines that the funded project may have a significant impact on the environment, HRSA will request that the awardee initiate and prepare an Environmental Assessment (EA). Based on the review of the draft EA, HRSA will determine if there is a Finding of No Significant Impact (FONSI) or additional review is required.

NEPA related reviews must be completed and conditions of award must be released prior to commencing work outside of purchasing moveable equipment, engaging architectural and engineering services, or acquiring necessary licenses, permits and other approvals for the project.

Cultural Resource and Historic Preservation (HP) Section 106 Reviews

The project will be reviewed under the terms of section 106 of the National Historic Preservation Act (NHPA). Under section 106, prior to the expenditure of funds, an assessment must be made of the potential effects of undertakings on historic properties (which include any prehistoric or historic district, site, building, structure, or object), that are eligible for listing or are listed on the National Register of Historic Places (NRHP).

For the purpose of this funding, the following activities constitute an undertaking under the NHPA:

- 1) All new construction and modernization projects (including demolition of existing buildings);
- 2) Alteration/renovation/repair projects where exterior changes to the building facade or surroundings (such as grading, fencing, or additional parking) may be made (including roof, windows and parking lots); and
- 3) Where interior renovations may be made to a building that is over 50 years old, or is historically, architecturally, or culturally significant.

Under section 106, prior commencing work outside of purchasing equipment, engaging architectural and engineering services, or acquiring necessary licenses, permits and other approvals for the project, an assessment must be made of the potential effects of undertakings on historic properties, and a notification/consultation must take place with all interested parties. Pursuant to the regulations at 36 CFR part 800, HRSA determines the project's effect on historic properties in consultation with the State Historic Preservation Officer (SHPO), Tribal Historic Preservation Officers (THPO), representatives of the local government, and other affected Indian tribes and interested parties.

For projects that require section 106 review, funds may not be drawn down until HRSA receives documentation from the SHPO/THPO concurring whether the property:

- Is not historic, or
- Is historic, with the project causing no potential adverse effects, or
- Is historic and the project may cause adverse effects and provide a resolution to the adverse effects through a fully executed MOA finalized by all parties.

Section 106 and any related historic preservation reviews must be completed and conditions of award must be released prior to commencing work outside of purchasing moveable equipment, engaging architectural and engineering services, or acquiring necessary licenses, permits and other approvals for the project. Section 106 reviews are project specific; therefore, previous consultations for a particular site are not valid for the purposes of this project.

Equipment

You must provide, when applicable, a detailed equipment list for the proposed project that includes non-expendable items with a useful life of more than 1 year.

Following these standards below regarding equipment purchases will mitigate many of the negative effects on human health and the environment from the proliferation, rapid obsolescence, low recycling rate, high energy consumption, and potential to contain hazardous materials and increased liability from improper disposal are strongly encouraged, where practicable, to Electronic Product Environmental Assessment Tool (EPEAT) - Silver Rated products: <http://www.epeat.net>.

When EPEAT-registered products are not available, the following environmental features should be given priority:

- Energy Star features, (<https://www.energystar.gov/>)
- Computer Power Management – Enable CPU's to go into power save mode after an appropriate time period (e.g., 15–60 minutes),
- Monitor Power Management – Enable monitors to go into power save mode after an appropriate time period (e.g., 15–60 minutes),
- Establishment of a 4-year or higher replacement cycle (refresh Rate) for desktop computers and laptops,
- Establishment of default setting to double sided printing for printers and print driver software,
- Recycled content, reduced packaging,
- Reduced toxic constituents in the product and in the manufacturing process,
- Designed for recycle/reuse including upgradeability considerations,
- Vendor provided take-back service, and
- Vendor demonstration of corporate environmental responsibility.

Appendix B: Allowable and Unallowable Costs for Construction Projects

The chart below lists the allowable and unallowable project costs according to the cost classifications in the SF-424C. This chart also indicates the line items within in the SF-424C where you will enter the appropriate cost.

Costs associated with an equipment-only project type would only have costs associated with line item 1 (Administrative and legal expenses) and/or line item 10 (Equipment) only.

NOTE: In addition to those items indicated in the chart below, the following uses of award funds are *generally unallowable* and must be discussed with PO and GMS staff:

- 1) Operating costs (e.g., funding direct services, clinical full-time equivalents, costs for staff not directly related to the implementation of the proposed project within the project scope of work) rent, mortgage payments, refinanced credit facilities.
- 2) Costs related to Electronic Health Records (EHR) ongoing operations, and maintenance.
- 3) Pre-award construction (architectural and engineering) costs incurred prior to 90 days before the award date. Due to the complex issues involved with construction projects, you must seek prior approval for any costs to be incurred before the start date of your award. Costs incurred more than 90-days prior to the enactment of the Consolidated Appropriations Act (P.L. 117-103 (before March 15, 2022), are not eligible for reimbursement. To request prior approval to incur costs before the start date of the initial budget period, please submit a request to the grants management specialist assigned to your award as identified in this Project Guidance. Include the following information:
 - a. a breakdown of allowable and allocable pre-award costs incurred (use the budget format/cost categories included in the original application);
 - b. the time period during which the costs were incurred; and
 - c. a justification for your request.The letter needs to be signed by an authorized official of the grantee institution. Approval is not guaranteed, and grantees incur pre-award costs at their own risk.
- 4) Creation of shell space for future use.
- 5) Costs for staff not directly related to the implementation of the proposed project;

The following chart lists sample allowable and unallowable project costs.² This list is not all-inclusive and supplements the applicable cost principles.

	ALLOWABLE	UNALLOWABLE
Line 1 - Administrative and legal expenses	<ul style="list-style-type: none"> • Salary of your staff and consultant fees that are directly related to the administration of the technical aspects of the proposed project. Administrative and legal expenses cannot exceed 10 percent of line 16c (total costs) • Costs associated with the evaluation of the environmental and historic preservation effects of the proposed project, obtaining public input, producing the necessary studies, analysis, and resultant reports, as well as compliance with other environmental and historic preservation laws • Costs of title insurance, physical-destruction insurance, builder's risk insurance and liability insurance [as applicable, this insurance may be required as a condition of award] • Bid advertising 	<ul style="list-style-type: none"> • Salary of your staff and consultant fees that are not related to the administration of the technical aspects of the proposed project • Bonus payments to construction contractors • Costs of groundbreaking and dedication ceremonies and items such as plaques • Fund-raising expenses • Damage judgment suit • Consultant fees not related to actual construction • Costs related to other sources of project financing • General operations and maintenance
Line 2 - Land, structures, right-of-way, appraisals, etc.	<ul style="list-style-type: none"> • Filing fees for recording the NFI 	<ul style="list-style-type: none"> ▪ Land or the cost of purchasing a building (including title search, closing costs, etc.)
Line 3 - Relocation expenses and payments	<ul style="list-style-type: none"> • Relocation payments to be made to displaced persons, business concerns and nonprofit organizations for moving expenses and replacement housing • Relocation advisory assistance and the net amounts for replacement (last resort) housing. This line is limited to approved applicants whose project involves the 	<ul style="list-style-type: none"> • The cost of permanently relocating the building • The cost of moving existing furniture back into renovated or newly constructed spaces

² Refer to the cost principles embedded in 45 CFR part 75 at <http://www.ecfr.gov/cgi-bin/text-idx?node=pt45.1.75> for details on allowable costs.

	ALLOWABLE	UNALLOWABLE
	<p>displacement of persons and businesses that must comply with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ((42 U.S.C. 4601 et seq.) 84 Stat.1894) and 49 CFR part 24</p> <ul style="list-style-type: none"> • Costs to lease a temporary space while the main space is being constructed or altered/renovated/repaired 	
Line 4 - Architectural and engineering fees	<ul style="list-style-type: none"> • Fees associated with architectural and engineering professional services including, but not limited to, preparation of bid documents and inspections during the project • Associated expenses for preparation of specifications and reproduction of design documents 	<ul style="list-style-type: none"> • Architectural and engineering fees for work that is not within the scope of the approved project • Elaborate or extravagant designs or projects that are above the known local costs for comparable buildings • Costs of abandoned designs (designs that will not be used for the project)
Line 5 - Other architectural and engineering fees	<ul style="list-style-type: none"> • Other architectural and engineering services, such as surveys, tests, and borings • Preliminary expenses associated with the approved award • Sustainable design services, such as LEED, including commissioning • Costs associated with the preparation of the Environmental Assessment and SHPO consultation • Project/Construction management Fees 	<ul style="list-style-type: none"> • Costs of abandoned designs or (costs associated with a design that will not be used in the project) • Costs for work not directly related to the project; • Costs for preparing grant applications.
Line 6 - Project inspection fees	<ul style="list-style-type: none"> • Clerk-of-the-works, inspection fees, structural certification, etc., to be provided by architectural engineering firm or your staff 	<ul style="list-style-type: none"> • Fees not directly related with the requested project.
Line 7 - Site work	<ul style="list-style-type: none"> • Site clearance, grading, land improvement costs, including 	<ul style="list-style-type: none"> • Fees not directly related with the requested project

	ALLOWABLE	UNALLOWABLE
	<p>reasonable costs for landscaping to stabilize the site, sidewalks, drives, and parking areas which are located on the site and are essential for the use and operation of the approved project</p> <ul style="list-style-type: none"> • Sanitary sewer, storm sewer, and portable water connections, providing that existing municipal utilities are located in streets, roads, and alleys contiguous to the site • Sidewalks, drives, and parking areas which are located on the site and are essential for the use and operation of the approved project • Reasonable landscaping costs for seeding and sodding required for soil/slope stabilization and/or landscaping required by the building permit • Alterations at entrances and adjacent sidewalks as required for ADA compliance • Resurfacing of existing parking areas located onsite and deemed essential for the use and operation of an approved project 	<ul style="list-style-type: none"> • Landscaping outside of vegetation needed for site stabilization and/or building permit requirements
Line 8 - Demolition and removal	<ul style="list-style-type: none"> • Costs of demolition or removal of structures or improvements. Reduce the costs on this line by the amount of expected proceeds from the sale of salvage 	<ul style="list-style-type: none"> • Costs not directly related with the requested award • Funds may not be used for demolition and removal of debris that will not result in a usable structure • Hazardous materials remediation/abatement

	ALLOWABLE	UNALLOWABLE
Line 9 - Construction	<ul style="list-style-type: none"> • Costs of acquisition and installation of fixed equipment³ necessary for the functioning of the facility • Costs of constructing new building(s) to be used for the program. This includes costs of materials and labor within the local range of comparable buildings • Construction costs for modernization remodeling, and alteration of existing buildings, which will be used for the program • Costs of connecting to existing central utility distribution systems contiguous to the site, such as steam and chilled water that service a campus from centrally located boiler and refrigeration plants. Prorated costs for new boilers and chillers to serve the proposed facility are acceptable • Special features for seismic code requirements. Use nationally recognized codes adopted by authorities having jurisdiction; • Costs of eliminating architectural barriers to the handicapped • Bid guarantees and performance and payment bonds • Costs of pollution-control equipment for the facility's boilers, incinerators, waste water treatment, etc., which may be required by local, state, or federal regulations. The facility must meet requirements of both current and future pollution abatement 	<ul style="list-style-type: none"> • Abandoned projects • Relocation of utilities that are off site and off-site improvements • Prorated cost of existing central utility plant and distribution systems, which serve the proposed facility • Interior and exterior decorating fees (e.g., purchase of artwork, sculpture, etc.) • Elaborate or extravagant materials that are above the known local costs for comparable buildings • Fixed equipment if it is not part of the construction contract • Bonus payments to contractors

• ³ Fixed equipment are items that requires modification of the facility for its satisfactory installation or removal and is included in the construction contract. Examples include: HVAC Units, duct work, generators, fume hoods, sinks, fixed shelving, built-in sterilizers, built-in refrigerators, and drinking fountains.

	ALLOWABLE	UNALLOWABLE
	<p>regulations as described in currently approved pollution plans</p> <ul style="list-style-type: none"> • Costs for remodeling and alteration of existing buildings which will be used for the program • Windows, HVAC, generators, and other building envelope items • Installation of equipment items 	
Line 10 - Equipment	<ul style="list-style-type: none"> • Tangible personal property or moveable equipment are non-expendable equipment items, with a useful life of more than one year that can be readily shifted from place to place without requiring a change in the utilities or structural characteristics of the facility. • Equipment that is pertinent to the project • The cost to train individuals to operate the equipment, if included in the purchase contract • Sales tax, federal excise taxes, and other taxes (unless the applicant is otherwise exempt or entitled to a state or Federal refund after payment) and shipping costs on equipment and other related expenses. • Service contract costs if it is included in the purchase contract • Software and site licenses 	<ul style="list-style-type: none"> • Donated equipment • Luxury furniture • Fixed equipment that is permanently attached to the building (it should be listed under line item 9) • Equipment that does not meet the moveable equipment definition

	ALLOWABLE	UNALLOWABLE
Line 11 - Miscellaneous	<ul style="list-style-type: none"> • Provide an itemized list for items that does not easily fit into the cost classifications above and cannot be categorized as directly related to the project. Such costs should generally be no more than 10 percent of line 16c (total cost) • The cost of alternate bid work up to the amount of the original bid submitted 	<ul style="list-style-type: none"> • Additional expense resulting from the rejection of an alternate bid at the start of construction and later reinstating the bid at an increased cost due to escalation • Costs or charges associated with routine maintenance, or operation of the facility • Expendable office, medical, and laboratory supplies
Line 12 – SUBTOTAL	Enter the sum of Lines 1 through 11	
Line 13 - Contingencies	<ul style="list-style-type: none"> • The contingency of this program is limited to 5 percent of Lines 7c, 8c, and 9c. However, the contingency must be reduced to 2 percent of Lines 7c, 8c, and 9c after the contract is awarded. The contingency does not include moveable equipment costs 	<ul style="list-style-type: none"> • Contingency costs above the allowable percentage.
Line 14 – SUBTOTAL	Enter the sum of Lines 12 and 13	
Line 15 – Project (program) income	Leave Blank / Not Applicable to this funding	
Line 16 – TOTAL PROJECT COSTS	Enter the amount in line 14	
Line 17	Enter the portion of this award that is allocated to the project (Note: round to the nearest whole dollar amount)	