



Washington State
Department of
Commerce

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Document Program Guidelines
for Competitive Awards
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Behavioral Health Facilities Program Guidelines Competitive Awards

Version 04/18/2023

**Local Government Division
Community Capital Facilities**

[Behavioral Health Facilities Program](#)

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DOCUMENT REVISION HISTORY

This is a historical record of revisions made to Program Guidelines from prior biennia

Date of Revision	Revision
9/17/2021	Consolidation and restructuring of previous Program Guideline documents from other funding rounds into a single set of guidelines that apply to all competitively funded Behavioral Health Facilities.
4/19/2022	Update to program contact information on page 1.
9/17/2021	Added links to key primary source data throughout the document.
4/19/2022	Update to Conditions of Funding for the Behavioral Health Facilities funding round.
9/17/2021	Clarified the timeline for when funds become available.
4/19/2022	Added language about what the program does and does not fund.
4/19/2022	Clarified expectations about licensure.
9/17/2021	Added requirement for coordinating with BH-ASO and MCOs.
9/17/2021	Clarified how site control is demonstrated and information about the Behavioral Health Model Ordinance.
9/17/2021	Changed requirements from EO05-05 to EO21-02 and clarified requirement.
4/19/2022	Updated DOH Construction Review, DOH Certificate of Need (CoN) and DBHR Institute of Mental Disorder (IMD) requirement information.
9/17/2021	Added State Lead-Based Paint requirement.
9/17/2021	Added Project Feasibility requirement.
4/19/2022	Updated insurance section
9/17/2021	Added Rescinding an Award section.
9/17/2021	Revised securitization process.
5/17/2022	Added language about the commitment period requirement. Included information about amortized reduced payback in the event of a default.
5/17/2022	Updated language for Cost Incurred Start Date
9/17/2021	Clarified information about the reappropriation of the award.
9/17/2021	Added language about funds being released to pay invoices the awardee does not have funds to cover.

9/17/2021	Clarified language about cost reimbursement.
5/17/2022	Updated the list of eligible and ineligible project costs.
9/17/2021	Defined predesign, pre-development, deferred maintenance and emergency repair.
5/17/2022	Updated the section on Compliance and Monitoring.
04/26/2022	Updated What the BHF Program Can and Cannot Fund section
10/01/2021	Updated Lead Based Paint contact information.
10/01/2021	Added language to the BHF PROJECT STATUS REPORT section to include reporting requirements for projects funded under the Crisis Stabilization – Trueblood funding category.
4/19/2022	Updated language for in-kind donations and added section Funding Match
4/19/2022	Incorporated links into document for Community Capital Facilities resource webpage URL.
5/17/2022	Added language for CONTRACT AND SECURITIZATION ASSIGNMENTS
5/17/2022	Updated language for Public Works and Prevailing Wage
4/18/2023	Updated BHF team contacts. Updated eligible and ineligible costs, removing mortgage debt. Added Residential Crisis Stabilization Program (RCSP).

2021 – 2023 Behavioral Health Facilities Competitive Award Program Guidelines

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Welcome, we look forward to working with you through the Commerce Behavioral Health Facilities (BHF) Program. We have developed these guidelines to help you understand program specifics for competitively funded Behavioral Health Facilities grant funds.

These guidelines cover:

- Pre-Contracting Requirements
- Contracting Process
- Reimbursement Processes
- Compliance and Monitoring

The Washington State Legislature (Legislature) established capital funding for behavioral health facilities through legislation in each biennial capital budget since 2013-2015. Behavioral health facilities funding in the 2021-2023 biennium is defined in [SHB 1080, Section 1069](#) and [SSB 5651, Section 1025](#). For prior behavioral health facilities funding appropriations see the [WA State LEAP Committee](#) website. Funding to projects is provided through the Commerce BHF Program as a grant to support behavioral health capital projects. Behavioral health services are defined in [71.24 RCW](#) and [71.36 RCW](#).

The BHF Program aims to help support community providers in expanding and establishing new capacity for behavioral health services in communities.

For information specific to the BHF Program, see our [Behavioral Health Facilities webpage](#).

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CONTRACTING WITH COMMERCE

CONDITIONS OF FUNDING

1. The BHF Program, operated by Commerce, receives funding from the Legislature and may provide grants as defined in the capital budget.
 - a. Funding is available to nonprofits, for-profit businesses, public entities and Tribes that are also community hospitals or other community based behavioral health providers.
 - b. Funding must establish new capacity for behavioral health services in communities and address gaps in geographical behavioral health service needs. Behavioral health services are defined in [71.24 RCW](#) and [71.36 RCW](#).
 - c. Funding may be used for construction and equipment costs associated with the establishment of a facility. Acquisition may be allowable as long as it will result in increased behavioral health capacity.
 - d. Applicants must show collaboration with one or more regional behavioral health entities that administer the purchasing of services and these relationships must be maintained.
 - e. Applicants must obtain and maintain licensure and certification for the proposed facility and behavioral health services provided at the facility through all applicable licensing bodies. Applicants should review applicable RCWs and WACs to determine licensing and certification requirements for the facility type they are proposing for grant funding.
 - f. Applicants must commit to serve persons who are publicly funded.
 - g. Applicants of proposed facilities that are required to treat people with involuntary treatment orders must commit to serve persons detained under the involuntary treatment act per [71.05 RCW](#) and must work with local courts and prosecutors to ensure prosecutors and courts in the area served by the hospital or facility will be available to conduct involuntary (civil) commitment hearings and proceedings under 71.05 RCW.
 - h. Applicants must commit to maintain and operate the facility and provide behavioral health services for the commitment period of fifteen (15) years.
2. Project readiness is an important component of a competitive application. Applications must include the date upon which renovation or new construction will begin and anticipated date of completion of the project. As well, a detailed estimate of the costs associated with opening the

facility and a plan demonstrating the ability to maintain and operate the facility will be part of the application.

3. Grant funds will be made available only once the awardee has a Washington State business license through the Department of Revenue (DOR) and is registered with the Washington Secretary of State (SOS), if applicable. A license through DOR and if applicable, registration through SOS must be maintained throughout the commitment period of the grant.
4. Grant funds will be made available once the awardee is able to prove site control. If BHF funds are needed to acquire real property, funds may be released at close through the escrow process. Commerce recently developed a behavioral health model ordinance and communications toolkit to assist with project siting. Those documents are located on the [Model Ordinance webpage](#).
5. Grant funds will be made available once the awardee is able to prove all other funding sources are committed so that the behavioral health site will be completed and become operational.
6. Grant funds cannot be used for costs incurred before the date of award letter. This includes acquisition costs. Funding must be utilized in the manner outlined in the application.
7. Grant funds must be used for eligible costs outlined in the Program Guidelines. Grant funds must be expended by the end of the contract term. The contract term will be identified as a four-year period but the awardee should be aware Washington operates under a biennial (two-year) budget that ends on June 30, 2023. Each appropriation in the Capital Budget must, by law, lapse at the close of the biennium. Commerce will request one reappropriation of any unspent funds, which would allow funds to be spent until June 30, 2025. However, we cannot guarantee the Legislature will agree to extend funding, nor can we legally obligate funds from one biennium to another. Awardees are encouraged to get under contract and expend their funding in a timely manner.
8. Awardees who receive a direct appropriation through the BHF Program or a previous competitive funding round are eligible to apply for a BHF Program competitive grant, but not for the same project that received prior funding. See the definition of “project” in the Notice of Funding Opportunity (NOFO).
9. Specific requirements for each type of Funding Category may be found in the Notice of Funding Opportunity (NOFO).

WHAT THE BHF PROGRAM CAN AND CANNOT FUND

The Legislative Funding Categories are outlined in the capital budget for our biennial appropriation. The information referenced for funded facility “Types” and “Sub-Types” is specific to the types of facilities that we have funded from the 13-15, 15-17, 17-19, 19-21 and 21-23 funding rounds. What the BHF Program can fund is directed by our legislative appropriation and could change biennium to biennium.

Legislative Funding Categories

Enhanced Adult Residential Care Facilities for Long-Term Placements for Dementia (aka Specialized Dementia Care Facilities (SDC)) – Facility that provides specialized long-term care services for persons with dementia. All facilities have delayed egress, an indoor wander path, and a safe, enclosed outdoor area that can be accessed independently. Stays are generally long-term, with residents aging in place and only moving if their care needs can no longer be safely met (WAC 388-76; WAC 388-110-240; WAC 388-110-220; WAC 388-78A).

Enhanced Services Facilities (ESF) – Residential long-term care facility that provides support and services to persons for whom acute inpatient treatment is not medically necessary. A mental health professional must be on-site in the facility at least eight (8) hours a day and must be on-call when not present in the facility. The facility includes rooms for social activities and dining, bedrooms, bathrooms, a commercial kitchen, and offices (RCW 70.97); (WAC 388-107).

Crisis Triage and Stabilization Facilities (CSU) – Short-term facility or portion of a facility that has been designed to assess, diagnose and treat persons experiencing an acute crisis without the use of hospitalization. Peace officers may drop-off individuals if the facility chooses to provide involuntary services. Individuals are assessed to determine the need for involuntary (civil) commitment and other services. Facilities can offer short-term care for up to 23 hours and/ or provide beds for overnight stays of approximately five days (WAC 246-341-1140; WAC 246-337).

90-and-180-day Civil Commitment Facilities - Court-ordered treatment provided in a residential facility (can also be provided in a hospital setting) and may also provide services to voluntary individuals. These facilities serve individuals on short-term or 5 to 14 day stays. When short-term, **Evaluation and Treatment Facilities (E&T)** provides 24-hour on-site care for the evaluation, stabilization, and/or treatment of residents for substance use, mental health, or co-occurring disorders (WAC 246-341-1134).

Intensive Behavioral Health Treatment Facilities (IBHTF) – Residential facility that provides 24 hour supervision and specialized treatment for individuals with behavioral health conditions, including individuals discharging or being diverted from state and local hospitals, whose impairment or behaviors do not meet, or no longer meet, criteria for involuntary (civil) commitment, but whose care needs cannot be met in other community placement settings. Residents are placed voluntarily and may include short-term or long-term stays (RCW 71.24.025 (20)); (WAC 246-341-1137; WAC 246-337).

Secure Withdrawal Management and Stabilization Facilities (SWMS) – Secured facility serving individuals for whom there is a likelihood of serious harm or who are gravely disabled due to the presence of a substance use disorder. Individuals are civilly committed to receive treatment in these facilities. They may also treat voluntary individuals. The average length of stay is 2-3 weeks (RCW 71.05.020 (51)); (WAC 246-341-1104).

Residential Substance Use Disorder Treatment Facilities (SUD) – Facility that provides care to individuals, typically on a voluntary basis, with a diagnosis of a substance use disorder (RCW 18.205); (WAC 246-811) (WAC 246-341).

Mental Health Peer Respite – A homelike environment, peer-run facility, for persons at least eighteen years of age, that serve individuals in need of voluntary, short-term, non-crisis services that focus on recovery and wellness (RCW 71.24.025); (WAC 246-341-0725).

Regional Needs – Projects that address regional behavioral health needs. Must be at a minimum licensed as a Behavioral Health Agency (WAC 246-341); and other certification/licensure may depend on facility type and services.

Children and Minor Youth – Projects that address behavioral health needs for children and minor youth. Must be at a minimum licensed as a Behavioral Health Agency (WAC 246-341); and other certification/licensure may depend on facility type and services.

Residential Crisis Stabilization Program (RCSP) – Facility providing twenty-four (24) hour per day, seven (7) days per week intake, treatment and supervision of children and youth, ages ranging from 5 through 17, in a safe and therapeutic environment. RCSP facilities will be licensed by the state Department of Health (DOH) under licensing requirements for Residential Treatment Facility (RTF) Licensing, RCW 71.12.455 WAC 246-337.

BHF Funded Facility “Types” and “Sub-Types”

In addition to the restrictions placed on the program by the Legislative Funding Categories, what the BHF Program can fund is also impacted by the licensure and certification requirements of our partner agencies Department of Health (DOH), Department of Social and Health Services (DSHS), Health Care Authority (HCA) and Department of Children Youth and Families (DCYF). Listed below are examples of facility types and sub-types the program may fund, other proposed combinations will be reviewed and approved by Commerce and our state partners as necessary.

- [Hospital - Acute Care](#) - Inpatient & outpatient care or Critical Access rural, acute inpatient & outpatient care (WAC 246-320); If providing court ordered, crisis stabilization or triage, or involuntary services (WAC 246-341); these facilities must complete the DOH Construction Review Services
 - Evaluation and Treatment (E&T)
 - 90/180-day Long-term Civil Commitment (LTCC) beds
 - Intensive Behavioral Health Treatment Facility (IBHTF)
 - Crisis Stabilization and Triage
 - Substance Use Disorder (SUD)
 - Withdrawal Management (WDM)
 - Intensive Inpatient Services (IIS)
- [Hospital - Psychiatric](#) - Evaluation and in-patient treatment for individuals with serious or long-term behavioral health conditions (WAC 246-322); (WAC 246-341); these facilities must complete the DOH Construction Review Services
 - E&T
 - LTCC

- IBHTF
 - Crisis Stabilization and Triage
 - SUD
 - WDM
 - IIS
- [Residential Treatment Facility](#) (RTF) -24 hour care and treatment for individuals with mental health, substance use, or co-occurring disorders. (WAC 246-337); (WAC 246-341); these facilities must complete the DOH Construction Review Services
 - E&T
 - LTCC
 - IBHTF
 - Crisis Stabilization and Triage
 - Mental health outpatient services
 - SUD
 - WDM
 - IIS
 - Recovery House (RH)
 - Long-term Resident (LTR)
- [Enhanced Services Facility](#) (ESF) (WAC 388-107); these facilities must complete the DOH Construction Review Services
- [Assisted Living Facility with SDC or SDCP Contract](#) (WAC 388-78A); (WAC 388-112A); these facilities must complete the DOH Construction Review Services
- [Assisted Living Facility with CSS Contract](#) (WAC 388-78A); (WAC 388-112A); these facilities must complete the DOH Construction Review Services
- [Recovery Residence](#) determined as Level 3 and 4 peer support living arrangement that promotes healthy recovery from a substance use disorder. (RCW 41.05.760); (WAC 246-311-1108(2) and 246-341-1112); these facilities must complete the DOH Construction Review Services
- Outpatient behavioral health treatment services provided in a DOH licensed [Behavioral Health Agency](#). (WAC 246-341); these facilities don't need to complete the DOH Construction Review Services
- [Mental Health Peer Respite](#) peer run program for short-term voluntary non-crisis services. (RCW 71.24.025); (WAC 246-341-0725); these facilities don't need to complete the DOH Construction Review Services
- [Non-state owned licensed or certified home or facility for Behavior Rehabilitation Services](#) to youth receiving support through DCYF. (WAC 110-50-0430); (WAC 110-50-0210)

The following [ARE NOT](#) funded by the BHF Program.

- Non-licensed facilities providing counseling to include one-on-one and group counseling, medications management.
- Peer support counselors providing services in a non-DOH licensed agency.
- Non-DOH licensed Facilities that provide case-management, support services, transportation to third-party behavioral health service providers.

- Emergency Shelters for persons or families experiencing homelessness.
- Community-based shelters for persons or families experiencing domestic violence.
- Transitional Housing including long-term service-rich housing for persons or families experiencing homelessness.
- Permanent Supportive Housing including low-income housing with treatment and support services for persons or families experiencing homelessness.
- Low-Income/Affordable/Workforce Housing
- Retirement Communities/Independent Living
- Continuing Care Retirement Communities
- Assisted Living Facility with limited care for adults that do not require dementia care or skilled nursing care.
- Adult Family Home with residential care for up to six non-related residents to include room, board, laundry, necessary supervision, and necessary help with activities of daily living, personal care, and social services.
- Group Home including congregant housing for vulnerable persons.
- Developmentally Disabled Housing including congregant housing for persons with developmental disabilities.
- Recovery Residence/Oxford House including congregant/shared housing, categorized as Level 1 or Level 2 Recovery Residences, for people in recovery from substance use.
- Clean and Sober Housing including service-rich housing, categorized as Level 1 or Level 2 Recovery Residence, for those in recovery from substance use.
- Unless indicated above in the list identifying types of facilities the BHF Program does fund, sites contracted for services through DSHS are not funded by the BHF Program.
- Facility owned and operated by DSHS, to include but not limited to:
 - Group Homes for vulnerable populations owned or operated by DSHS
 - Developmentally Disabled Housing owned or operated by DSHS
 - State Hospital owned or operated by DSHS
 - Child Study & Treatment Center owned or operated by DSHS
- Unless indicated above, in the list identifying types of facilities that the BHF Program does fund, any facility owned, operated or licensed by DCYF or with services licensed or contracted by DCYF to include but not limited to:
 - Child care
 - Early intervention services
 - Child Protective Services
 - Foster homes or foster care providers
 - Family Reconciliation Services
 - Independent Living Program services or other subsidized housing for youth
 - Juvenile Rehabilitation

FUNDING AVAILABILITY AND TIMING

At the start of each biennium, and following the signing of the Capital Budget by the Governor, Commerce will open a competitive funding round for behavioral health facilities. Funding rounds are typically open for sixty days. Commerce, in coordination with Behavioral Health Facilities Scoring Committee, reviews applications and forwards recommendations on to the Behavioral Health Facilities Advisory Group and Commerce management for final determination of awards. Commerce aims to make an official award announcement three to four months following the close of a competitive funding round.

Disbursement of funds will occur only once the awardee is under contract and (if required) securitization is complete. We anticipate the pre-contracting process to begin approximately one month following award announcements but this may be impacted by debriefings of unsuccessful applicants. Depending on the project, pre-contracting and securitization requirements (if required) may take anywhere from a few weeks to many months to complete. Awardees are encouraged to work very closely with assigned staff to ensure an efficient process. Meeting all of the pre-contracting requirements may take three to six months. Once the pre-contracting requirements are met, executing a contract typically takes a week or two to complete. Securitization of the grant can occur simultaneous to the pre-contracting process and this typically takes four to twelve weeks to complete. If grant funds will be needed through escrow, to acquire real property, it is vitally important that the contract manager know this well in advance of the close date. Our pre-contracting recruitments will not be waived in order to meet close dates so the awardee should take these requirements into consideration when negotiating a close date with the seller.

ADMINISTRATIVE FEES

The Commerce BHF Program is authorized to retain funds from each award to cover administrative costs. Awardees will receive an award letter from the program and the award letter will state the total amount of the grant as reduced by applicable fees.

- For projects funded in the 2015-2017 biennium, there was no administrative fee taken by Commerce.
- We will deduct three-percent from the award, up to a maximum fee of \$50,000, for all 2017-2019 awarded projects. The award made to projects will be for this reduced amount.
- We will deduct two-percent from the award, up to a maximum fee of \$50,000, for all 2019-2021 awarded projects. The award made to projects will be for this reduced amount.
- We have deducted three-percent from the BHF Program appropriation for the 2021-2023 biennium. This means the award made to projects in the 21-23 competitive funding round will be for the total grant amount.

RESCINDING OR REDUCING AN AWARD

An award may be rescinded or reduced under the following conditions:

- In the event state funds appropriated for the work contemplated are withdrawn, reduced or limited in any way by the Governor or the Legislature the awarded funds may be rescinded; or
- The project scope of work does not match what was indicated in the application for funding. If the scope of work of the project has changed, the awardee must work with their contract manager to seek approval to proceed with a revised scope of work. If agreement cannot be reached on an acceptable Scope of Work for the project, the award may be rescinded; or
- The awardee's project scope of work is the same or similar to another one of their project's scope of work funded either through a direct appropriation or from a previous competitive funding round.
- The awardee does not have funding to complete the project. If the awardee cannot obtain full funding to complete the project in the biennium awarded or if the appropriation is not used within the biennium awarded, the award may be rescinded; or
- The awardee cannot demonstrate sufficient operating and/or service funding for the completed project, the award may be rescinded; or
- Timelines and deliverables are not being met, the award may be rescinded.

PRE-CONTRACTING

To get under contract with Commerce for your award you will work with a contract manager assigned specifically for your project. The contract manager will reach out to their awardees shortly after the award announcement and provide further direction on how to proceed. The following pre-contracting requirements apply to your award and some may take considerable time for you to complete. It is recommended that awardees start to work on these requirements as soon as is practicable.

Doing Business in the State of Washington

Awardees, to get under contract for the BHF award, must be a legally formed entity and licensed to do business in the state of Washington. Our program contracts with governments, Tribes, Non-profit Corporations, General Partnerships, Limited Partnerships, Limited Liability Partnerships, Corporations, Limited Liability Companies and Sole Proprietorships. Formation documents should be filed through the [WA State Secretary of State](#) and a business license applied for through the [WA State Department of Revenue \(DOR\)](#). If a Tribe, Tribal Enterprise or tribal member are our awardee **and** the behavioral health facility will be sited and operate on the reservation, the awardee does not need to be licensed by DOR. For more information, [Tribes and tribal members/citizens Q & A](#).

Regional Behavioral Health Entities Administering the Purchasing of Services

Coordination with one or more [Behavioral Health Administrative Service Organizations](#) (BH-ASO) or [Integrated Managed Care Organization](#) (MCO) is required for funding through the BHF Program.

Awardees must maintain effective relationships with these entities. Because rates vary based on region and service type, awardees must reach out directly to the purchaser of services in their region for specific information.

Awardees may also reach out to our state partners with questions about establishing their facility rates and other operational technical questions.

- [Enhanced Service Facilities \(ESF\)](#)
- [Assisted Living Facilities with Specialized Dementia Care \(SDC\)](#)
- All other facility types should reach out directly to the Health Care Authority's Michele Wilsie, michele.wilsie@hca.wa.gov

Site Control

Awardees must demonstrate site control before Commerce will execute a contract. Some awardees may face challenges in siting and obtaining permits at the local level. Awardees should engage as early as practicable with the local jurisdiction to determine if their project is allowable in that jurisdiction. We have developed a [Behavioral Health Model Ordinance](#) that may help you work through siting and development issues. We have also developed a [Communications Toolkit](#) to provide strategies for effectively communicating about behavioral health treatment facilities to community members.

A few things our awardees may want to consider:

- There is an advantage to working with a developer. These professionals can help navigate you through the planning, siting and permitting process and may assist you with a code review in order to determine if an area is permissible to the facility type.
- If not working with a developer or land-use attorney, it is the awardees' responsibility to figure out the jurisdictions planning process. Doing a code review before committing to a site/property is important to understanding what it will take to site a project in a community.
- Anticipate opposition:
 - Start working with the city planning office early
 - Connect with supporters in the community and utilize them to counter opposition messaging
 - Reach out to affordable housing providers in area where seeking to site a facility. These entities may have "lessons learned" that can help move the BHF project along more easily
 - Try to understand the root issues of the opposition. Develop a communication strategy that incorporates 1:1 meetings so that these root issues can be worked through

We also recommend reaching out to our behavioral health technical assistance partners at the HCA, DOH and DSHS. Toolkits and contact information are available on our [webpage](#).

The awardee must be able to maintain site control for the commitment period as outlined in the contract. Site control may be shown through outright ownership of the subject property or through a long-term lease.

To demonstrate site control, submit the following documents:

- Title/Deed and a copy of the county Assessor record; or
- If real property will be leased, submit a lease agreement with a minimum term of the commitment period as outlined above.
- If grant funds will go through escrow for acquisition of real property, the awardee must submit a copy of the Purchase and Sales Agreement (PSA) and an appraisal.
- Photos of the site at 0% project completion are required. Submit photos prior to work commencing.

Appraisal of Real Property

When all or part of the grant is used to fund the acquisition of real property, the awardee shall provide evidence establishing the value of the real property. The value of real property will be determined by a current appraisal prepared by a licensed Washington State commercial real estate appraiser.

Project Feasibility

Awardees must demonstrate project feasibility before Commerce will execute a contract. This can be shown by submission of preliminary construction and equipment bids and other planning and development-related documentation. We will also want you to finalize a project completion schedule that will be incorporated into the contract.

Proof of Commitment of Other Funding

For projects where funds are awarded for acquisition, and more than the BHF grant is needed for the acquisition, proof of other funding commitment is required before we contract for or release state funds. As well, if BHF funds will be used to acquire a building the awardee must demonstrate that the facility is able to operate upon acquisition if renovation is not needed. If renovation or new construction is necessary, post-acquisition, then funding commitments for that work must be provided in order to get under contract for the funds to acquire the real property. Commerce cannot proceed with acquisition until we are assured the facility will be or become operational following purchase.

Projects where funding is provided for construction or rehabilitation activities, before Commerce will execute a contract the awardee will need to provide proof of other funding commitment from all other funding sources.

State Public Works

Governmental entities that are awarded a BHF grant may be required to comply with public works statutes [RCW 39.04](#) and [RCW 39.10](#). If you have questions about this requirement, you will need to contact the Industrial Relations Specialist at the Department of Labor and Industries at (360) 902-5334 or visit their website [WA State Department of Labor & Industries Public Works Projects](#) for more information.

State Prevailing Wage

Prevailing wages are required for work upon all public works. Per [RCW 39.12](#) public works are “all work, construction, alteration, repair or improvement ... executed at the cost of the state or any municipality.”

It is the responsibility of the BHF grant recipient to act as the Awarding Agency for the purpose of responsibly spending the public money received. For more information about awarding agencies go to the WA State Department of Labor and Industries (L&I) [webpage](#). The Awarding Agency, prime contractor, and subcontractor(s) must follow the prescribed processes outlined by L&I to comply with prevailing wage requirements. The prime contractor and each and every subcontractor will need to file a Statement of Intent to Pay Prevailing Wages (Intent), pay their workers at the applicable prevailing rate(s) of wage and overtime according to the actual job duties performed as described in the scope of work descriptions, file certified payroll on-line with L&I at least once a month, then file an Affidavit of Wages Paid (Affidavit) when completely finished with their work on the project. For more information on how to comply with prevailing wage law, review the booklet titled [The Washington State Prevailing Wage Law: Understand your responsibilities and rights when performing public work](#) and see the Municipal Research and Services Center of Washington State [webpage](#).

Prevailing Wage requirements apply to projects as of the date on the award letter provided by the BHF Program. Projects that have incurred construction costs prior to the date indicated on the award letter are exempt from Prevailing Wage requirements. Construction costs incurred on the day of and following the date indicated on the award letter must reflect payment of prevailing wage.

- If our awardee is a tribal entity, all contractor or subcontractors performing work on the project shall comply with prevailing wage laws set forth in state RCW or requirements under Tribal prevailing wage law, as applicable to the project funded by this grant.
- If your project receives any federal funds then you are required to pay whichever wage class rate is higher, either the Davis-Bacon Act federal wage scale or state prevailing wage.
- If labor will be donated to the project, be aware that the donating organization is still required to pay prevailing wages to their employees.

If you have questions about this requirement, you will need to contact the Industrial Relations Specialist at the Department of Labor and Industries (360) 902-5335 or PW1@lni.wa.gov.

State Apprenticeship

For projects with **total construction costs** in excess of \$1,000,000, awardees must comply with apprenticeship requirements of [39.04.320](#), [39.04.350](#) and [39.12.055](#). If you have questions about this requirement, you will need to contact the Labor and Industries at (360) 902-5320 or Apprentice@lni.wa.gov.

State Executive Order 21-02 (EO21-02) and Tribal Coordination

Capital projects funded in the 2017-2019 or 2019-2021 biennia that were under contract with Commerce before the Governor signed the 2021-2023 biennial budget are subject to EO05-05 requirements. You should proceed as directed by your Commerce contract manager.

Capital projects funded in prior biennia that are not under contract and capital projects funded in the 2021-2023 biennium are subject to EO21-02 requirements. Projects resulting in acquisition, new construction or rehabilitation are subject to a cultural resource review by the Washington State Department of Archeology and Historic Preservation (DAHP) and consultation with impacted Tribes for compliance with Governor's Executive Order 21-02 (formerly EO05-05). The exception to this requirement is if there is federal funding in the project and the Section 106 of the National Historic Preservation Act review is in progress, or has been completed, then review by DAHP and consultation with impacted Tribes is not required by the State. Finalization of the DAHP review and consultation with impacted Tribes, or the Section 106 review, must be completed before the contract will be executed.

- To start the review process with DAHP, Commerce will provide you with a delegation of authority letter outlining our expectations of you as our awardee to fulfill the requirements of EO21-02. As our awardee, you will submit this letter to DAHP with the EZ Project Review form. Review related documents can be downloaded from DAHP's webpage at [WA State Department of Archeology and Historic Preservation EO21-02](#). All documentation related to the project review should be submitted to DAHP via email. For more information, go to our [resource page](#).
- For more information about the Tribal consultation process and to determine what Tribes may be impacted by your project and their contact information, go to DAHP's webpage at [WA State Department of Archeology and Historic Preservation Tribal Consultation](#) site. You can also find a Tribal Directory at the [Governor's Office of Indian Affairs](#) site. Your Commerce Contract Manager may provide more direction as you move through this pre-contracting requirement or you can go to our [resource page](#).
- All State funded capital projects must submit to their contract manager, DAHP and impacted Tribes, an Inadvertent Discovery Plan. Your contract manager may provide a document to you for completion if DAHP has not already made one available.

For projects that are being phased and if state funding is provided for predesign or pre-development activities, we strongly recommend the project incorporate cultural resource review by DAHP and consultation with impacted Tribes into the planning process. And if construction or rehabilitation has begun, or will begin, on a project prior to an award of state capital funding we also strongly recommend the project undergo a cultural resource review by DAHP and consultation with impacted Tribes before the award for state capital funding is made.

- In addition, with or without Commerce funding, laws related to the protection of cultural resources and Indian graves, particularly [RCW 27.53](#) and [27.44](#), apply to construction projects in the State of Washington.

If our awardee is a Tribe or tribal enterprise, and the project is located outside of the reservation boundaries, as our awardee you are subject to the DAHP cultural resources review and consultation with impacted Tribes. If the project is on tribal trust land within reservation boundaries, neither DAHP nor the State Historic Preservation Officer (SHPO) have jurisdiction. The Tribe or Nation's Tribal Historical Preservation Office (THPO) shall assume all functions from Washington State for EO21-02, or

if applicable a review under Section 106 of the National Historic Preservation Act, for projects within the boundaries of the reservation. The Tribe or Nation is legally and financially responsible for compliance with all laws, regulations, and agreements related to the preservation of historical or cultural resources. In situations where the project is located within the reservation boundaries, the THPO should provide to the Commerce contract manager a letter indicating the outcome of their cultural resource review.

State Lead-Based Paint

Projects involving remodeling, repairing or painting a residential property, or child occupied facility built before 1978 must employ a Certified Lead Renovation Firm, who must assign an Individual Certified Lead Renovator to lead the activities.

Option 1: The Awardee needs to ensure that they hire someone fully certified with Firm and Individual Certifications (ask to see the contractor's certifications).

Option 2: The awardee can have their own Certified Lead Renovation Firm and Individual Certified Lead Renovator assigned to lead their project. (Reasonable cost of approx. \$275 to complete).

For technical assistance, contact the Lead-Based Paint Program at Commerce, lbinfo@commerce.wa.gov or call (360) 586-5323.

Leadership in Energy and Environment Design (LEED)

The 2005 Legislature passed a law that requires our grant recipients to comply with what has been termed "high performance" or "green" building standards ([Chapter 39.35D RCW](#)). The legislation's goal is for major capital facility projects receiving state funding to be built to the LEED Silver standard where "practicable." LEED is a certification program run by the U.S. Green Building Council. These building principles offer the most savings when incorporated early in the design process. We strongly encourage you to talk with your architect as soon as possible. If the awardee received a grant for predesign only or pre-development only, the project is exempt from this requirement but be aware if other state funds are used at a later date for acquisition, renovation or construction, LEED may be applicable. For more information, go to our [LEED](#) resource page.

Exemption: The law offers two types of exemption. You don't need to wait until you turn in a grant application, or for completion of the pre-contracting process, to find out if your project will be exempted. Please contact us and we can quickly assess your project.

Exemption 1: The following types of facilities may be exempt:

- Acquisition only that does not include construction or renovation
- New construction that is less than 5,000 gross square feet of occupied or conditioned space as defined by the State Energy Code
- Renovation projects whose costs are less than 50 percent of the facility's assessed value and are less than 5,000 gross square feet of occupied or conditioned space
- Facilities such as hospitals or research facilities primarily used for laboratory experimentation, research, or training in research methods; or similar building types

Exemption 2: "Not Practicable" exemption may apply:

- When renovation projects involve a new addition to an existing building, these types of projects may not be required to comply with LEED certification
- If the project will comply with the [Evergreen Sustainable Development Standard \(ESDS\)](#) or the [Washington Sustainable Schools Protocol \(WSSP\)](#)
- Be aware that we are not permitted to offer this exemption because of cost or timing-related issues

Certificate of Need

Projects that expand the service capacity of a healthcare facility may need to go through the Certificate of Need process. Awardees must show progress in following through with the Certificate of Need requirements before Commerce will execute a contract. For more information go to [WA State Department of Health Certificate of Need Program](#).

Institutes of Mental Disease (IMD)

Consultation with the HCA's Division of Behavioral Health Recovery (DBHR) to determine if the project expansion will trigger the IMD designation is advised to occur early in the development process. Contact staff at DBHR at David.Johnson@hca.wa.gov.

Projects that fall under IMD rules and will expand bed count beyond 16-beds in healthcare related facilities must provide for a separation of the facilities so that no more than 16-beds are in any part of a facility and the facilities must be able to operate independently as evidenced by different medical record domains, separate management chains, etc. Please contact DBHR for more information.

DOH Construction Review

Proposed projects in facilities that provide beds and treatment must utilize the Department of Health's (DOH) Construction Review Services. Awardees must show progress in following through with the construction review before Commerce will execute a contract.

If the architectural drawings or plans are complete, the awardee does not need to go through the Technical Assistance Review but must consult with DOH for Construction Review. The DOH Construction Review must start before beginning construction. Awardees must comply with this review. For more information go to [WA State Department of Health Construction Review Services](#).

Binding Agreements with Licensed and Bonded Contractors

Awardees must establish a binding agreement with a licensed and bonded contractor. Grant awards are contingent on this requirement. If your organization is required to follow public works requirements related to bidding or your organization has policies or procedures related to bidding, the awardee must follow that guidance.

Changes to the Project Scope of Work

If any of the aspects of your project's scope of work, as outlined in the application have changed, you must communicate with your contract manager about the differences between what was indicated in the application and the status of the project as you move through the pre-contracting process. We

reserve the right to approve or decline any changes to the project prior to the change being finalized by the awardee. Changes to the scope of work or reductions in the proposed behavioral health services at the site may result in an award being rescinded or decreased.

Small Business and Minority/Women Owned Business

Commerce does not require a percentage of the project work be given to small businesses or M/WBE companies. However, if your local jurisdiction has such laws they must be followed.

Insurance

Awardees must maintain general liability insurance and fidelity insurance for the entity we contract with in full force and effect during the contract term. The intent of the required insurance is to protect the state of Washington should there be any claims, suits, actions, costs, damages or expenses arising from any loss, or negligent or intentional act of omission of the awardee, subgrantee, or agents of either, while performing under the terms of the grant.

For projects where funds are provided for acquisition, new construction or rehabilitation, property insurance, for the location where grant funds will be used, will be maintained in full force and effect throughout the commitment period of the grant. Proof of general liability insurance and fidelity insurance must be submitted before Commerce will execute a contract. Property insurance must be submitted to the contract manager before the first reimbursement will be paid.

For more information and examples of the insurance requirement, review our requirements page at: <https://deptofcommerce.app.box.com/s/ohyv6iwenfwdwx4fzq8rzech05iok4u5> and [FAQ](#).

Statewide Vendor Account Number (SWV)

Grant funds are electronically transferred using a Statewide Vendor Account (SWV) number provided to us by the awardee. The SWV number for the entity receiving our funds must correspond to our contracting entity. If you need to set up a SWV account number, please review the [Office of Financial Management Statewide Vendor/Payee Services](#) page to learn how to create an account. This process may take a couple of weeks, so please make sure you have this information available in order to provide it on your Working Papers.

Readiness Survey and Working Papers

Awardees must submit a completed Readiness Survey and Working Papers to their contract manager. Your contract manager will provide these documents to you.

- The Readiness Survey determines awardee readiness to move forward with the project.
- The Working Papers provides final information that will be used in drafting the contract.

CONTRACTING

All awardees are required to be under contract (i.e. signed by all parties in agreement) with Commerce in order to receive reimbursement for costs incurred to complete the project.

Contract Execution

Generally, once an awardee has provided Commerce with all the applicable pre-contracting materials and finalized their Readiness Survey and Working Papers, executing a contract may take just a few weeks. Executing a contract can take longer if an awardee requests any change to state approved contract language. Contract changes are reviewed and approved by Commerce's Assistant Attorney General.

At any point, an awardee may request a copy of our DRAFT contract. If you would like a DRAFT of our contract language, please work with your contract manager and they can provide you the template.

Securitization of the Grant

For projects where the award is equal to or in excess of \$500,000, and where real property is or will be owned fee simple or a leasehold estate secured through a long term lease meeting or exceeding the term of the commitment period, Commerce may secure the grant with either a recorded Deed of Trust or a Leasehold Deed of Trust, a Promissory Note, and in some cases a Covenant. We also require a Lender's Title Insurance policy be purchased by the awardee. The title policy shall be free and clear of unpaid taxes, liens or encumbrances unless otherwise approved by Commerce. A Commerce Securitization Officer will reach out to the awardee to provide technical assistance on the securitization process. For more information about the securitization process, go to our [resource page](#).

CONTRACT AMENDMENTS

Commerce may grant contract amendments due to unforeseen circumstances. Changes to the Scope of Work may result in rescinding or recapture of the award or a lower award amount. It is the awardee's responsibility to request an amendment from Commerce and to work in a timely manner with your contract manager.

COMMITMENT PERIOD

All real property, owned or leased by the awardee that is acquired, constructed, or otherwise improved by the awardee using state funds shall be held and used by the awardee for the purpose or purposes stated in the contract for a period identified as the 'Commitment Period' and will last for fifteen (15) years after final reimbursement has been paid to awardee by Commerce.

The awardee is not prohibited from selling or transferring the property described in the contract provided that any such sale or transfer shall be subject to prior review and approval by Commerce and that all proceeds from the sale shall be applied to the purchase price of a different facility or facilities of equal or greater value than the original facility and that any such new facility or facilities will be used for the purpose or purposes stated in the contract.

If the awardee is approved to sell or transfer the property and proceeds are not applied to another facility or the purpose of the facility is different than that in the contract, the awardee shall repay the grant in accordance with the contract terms. The BHF Program does not allow amortized reduced payback in the event of default.

CONTRACT AND SECURITIZATION ASSIGNMENTS

Commerce will consider assignment of contracts on a case by case basis. In the instance of sale or transfer, the awardee must notify their contract manager in advance of finalization for any deal that impacts the property acquired, constructed, or otherwise improved having used state funds.

Commerce will assess the risk of assigning the BHF contract to another entity and make the determination if it is agreeable to do so. If agreed, and the original property was also secured with a Deed of Trust and Promissory Note, the Capital Community Facilities (CCF) Securitization Team will also be notified and will work to determine next steps to release and re-secure the BHF grant.

RECAPTURE

Once an award is under contract, the grant funds may be subject to recapture under the following conditions:

- The awardee does not have funding to complete the project; or
- The awardee cannot demonstrate sufficient operating and service funding for the project;
- The finished project does not conform to what was indicated in the contract; or
- Timelines and deliverables, as outlined in the contract, are not being met; or
- The awardee cannot maintain the facility or applicable services at the project site for the commitment period.

INCURING COSTS AND REQUESTING REIMBURSEMENT

COST INCURRED START DATE

Expenses are allowable for reimbursement based on the Cost Incurred Start Date. This date is determined as follows:

- For projects awarded in the 2017-2019 and 2019-2021 biennium, the date the capital budget was signed by the governor.
- For projects awarded in the 2021-2023 biennium, the date indicated on the award letter.

REAPPROPRIATION

Awards made in the 2017-2019, 2019-2021 and 2021-2023 biennia have until June 30, 2023 to expend funds.

- Projects awarded in the 2013-2015 biennium have no time remaining to expend funds.
- Projects awarded in the 2015-2017 biennium have no time remaining to expend funds.
- Projects awarded in the 2017-2019 biennium have been reappropriated and any funds remaining at June 30, 2023 will be terminated.
- Projects awarded in the 2019-2021 biennium have also been reappropriated and any funds remaining at June 30, 2023 will be terminated.
- For projects awarded in the 2021-2023 biennium, Commerce will request a reappropriation of any unspent funds prior to the end of the biennium. If the reappropriation is granted, the awardee will have an additional two years, extending the term to June 30, 2025, to expend the remaining funds. We cannot guarantee that the Legislature will agree to extend the term, nor can we legally obligate funds from one biennium to the next. Awardees are advised to expend funds as soon as practicable.

COST REIMBURSEMENT

Funds will be made available once a contract is executed and securitization complete, if applicable. Funds are reimbursement based and cannot be advanced under any circumstances. Reimbursement costs are those the awardee has already incurred and paid. If funds are needed to purchase real property, through the escrow process, the awardee must provide advance notice to their contract manager of the close date so that we can make funds available in a timely manner.

In limited situations, grant funds may be released to pay invoices for work the awardee has incurred but does not have the funds to pay. In these situations, the awardee must inform their contract manager, before starting grant draw down, this issue may occur and it is at the contract manager's discretion to approve the request. If the request is approved, the awardee will submit a warrant requesting costs to be paid and those costs will be substantiated with an invoice showing completion

of work. Substantiated costs will be paid to the awardee who will pay their contractors. The awardee will provide proof of payment to the contract manager no later than thirty days (30) from the date the funds were released.

Reimbursement will be paid at one-hundred percent (100%) of the requested project costs of each warrant when back-up documents substantiate those costs. When grant funds are used through escrow to pay for acquisition costs, Commerce will release up to one-hundred percent (100%) of the grant amount through escrow but not more than the actual amount needed to close on the property. Awardees may not receive our grant funds as cash through escrow.

FUNDING MATCH

Awardees receiving funding through a competitive process from the BHF Program are not subject to a funding match requirement.

IN-KIND DONATIONS

In-kind donations may be applied to the project budget as non-state funding. Eligible donations include real property, labor (except when donated by an applicant's paid staff), materials, or equipment as long as their value can be properly assessed and documented. We treat in-kind professional and nonprofessional labor differently. Professional labor is calculated at the rate a volunteer would normally charge for their services.

Projects that receive in-kind donations from a professional service or individual such as an Architect will need a signed letter from the individual/organization/agency who provided the service/goods with the following components:

- Who performed the work and when
- Provide a description of the work performed or services provided with a copy of the invoice
- Current contact information for the individual who performed the work to include, name, address and phone number.

Nonprofessional labor is calculated at \$15 per hour. This can be documented with a memo itemizing the type of work done and number of hours worked by your volunteers. We reserve the right to make the final determination regarding the acceptability of in-kind contributions and their estimated value.

ELIGIBLE PROJECT COSTS

Funds appropriated in the capital budget and awarded through the BHF Program may generally be used to pay for predesign, pre-development, real property acquisition, construction, renovation and equipment-related expenses outlined in the [OFM Capital Budget Instructions](#) and guidance from the

state's office of the Attorney General. Commerce has taken this guidance and outlined below costs reimbursable with a BHF grant. If you have questions about cost eligibility, do not try to interpret the OFM instructions but rather contact your contract manager for review and approval.

- Costs incurred using third-party licensed and bonded service providers.
- Grant funds used for acquisition occurring after the issuance of our award letter may cover costs for the value of the real property, appraisal fees, extension fees associated with a Purchase and Sales Agreement if attributed to the earnest money, title opinions, surveying fees, real estate fees, title transfer taxes, limited legal expenses, escrow and recording fees. Grant funds may be used to reimburse for Earnest Money paid, before the issuance of our award letter, as a deposit on the property. This deposit must have been paid into an escrow account and credited toward the purchase price of the property.
- Predesign work done to help determine project function, purpose, scope, budget or project schedule. The products of predesign work often include building program development (i.e. defining what the building use, function and space requirements are), studies, site assessment, government/legal assessment of siting, sustainability assessment and conceptual designs.
 - Eligible predesign costs include preliminary technical studies for a specific project, project management fees for predesign and owners project requirements, project schedule, land use applications, architectural and engineering services, design and schematic development, environment impact and hazardous materials assessments, archeological and historic structure surveys, consultant services, legal fees, building code plan review, construction document development, and LEED certification fees.
- Pre-development work that occurs prior to construction and includes everything listed above in predesign and may also include costs for limited construction management and observation.
- If grant funds will be used for legal expenses, the awardee should work with their contract manager to determine the extent to which the BHF grant may be used for this purpose.
- When grant funds are used for new construction: Impact or mitigation fees assessed by local governments against a new development project per [RCW 82.02.050](#) through [RCW 82.02.100](#) and [WAC 365-196-850](#) are reimbursable. Fees imposed for public capital facilities may include public streets and roads, publicly owned parks, open space and recreation facilities, school facilities, fire and police protection facilities, library services, water and sewage.
- Construction management and observation (from third-party sources only) is eligible for reimbursement. This is onsite management and/or supervision of the work site and workers. This does not include work performed by off-site consultants or consultant organizations, grant writers, or employees of the awardee, unless the employee is hired solely and specifically to perform on-site construction management as defined above;
- Construction costs including, but not limited to, the following:
Site preparation, erosion control and improvements;
Demolition;

Permits and fees;
Labor and materials;
Taxes on project good and services;
Landscaping; and
New construction of roadwork on site or a parking lot.

- Tenant improvement costs are allowable. Unless the building owner is our awardee we will not pay our funds directly to the building owner. If the tenant is our awardee it will be their responsibility to pay the building owner costs associated with tenant improvements using our grant funds. The improvements must be completed before the BHF Program grant funds may be used for reimbursement.
- Built-in equipment permanently attached to the building or improvement and considered an integral part of the structure. Built-in equipment is usually included in the base construction budget and estimate. Examples include plumbing fixtures, heating, ventilation and air-conditioning equipment, electrical equipment, elevators and escalators;
- Major appliances;
- Fixed equipment attached to the building or improvements for the purpose of securing the item and contributing to the facilities' function. Fixed equipment is usually included in the base construction budget and estimate. Examples include shelving, cabinets and bolted furniture. The item must be considered an asset and have a useful life of at least 13 years;
- Equipment, specific to the provision of behavioral health services, that are considered assets and will be depreciated over time. The item must have a useful life of at least 13 years;
- Information technology systems' infrastructure (i.e. physical hardware, cabling, wiring) and building security systems.

INELIGIBLE PROJECT COSTS

The following costs are not eligible for reimbursement.

- Construction costs not listed in Eligible Project Costs which are not essential to carry out the function of the facility. If you have questions about the eligibility of a cost, seek guidance from your contract manager before requesting reimbursement for the cost.
- Start-up or ramp-up costs.
- Operating costs.
- Behavior health service costs.
- When costs are sought for acquisition for real property and the property was held for a period before the issuance of the award letter and is/was transferred between related entities, the earnest

money, holding or carrying costs, transfer fees, loan origination fees, finance fees, real estate taxes, and interest charges are disallowable.

- Grant funds may not be used for fractional ownership acquisition of real property.
- Excessive legal expenses or expenses that are not ordinarily provided in a budget for a capital project;
- In-house labor costs.
- Non-project related operating costs, staff or administrative costs, or activities;
- Comprehensive planning, master plans, historical or archeological research, capital and maintenance planning, or other similar non-project specific expenditures;
- Feasibility studies (unless associated with project development such as required by local government transportation studies for new construction);
- Projects where deferred maintenance is the primary driver of costs associated with the proposed project are generally not reimbursable. Deferred maintenance is the practice of postponing maintenance activities, such as repairs, in order to save money or because there is a lack of capital reserves associated with business assets. In failing to perform needed repairs, the asset deteriorates and ultimately may result in failure.
- Projects where emergency repair costs are the primary driver of costs associated with the proposed project are generally not reimbursable. These costs may include but are not limited to:
 - Damage caused by fire, flooding or electrical failure otherwise covered by insurance;
 - Damage caused by negligence;
 - Work needing completed due to regulatory authority fines, citations, stop work orders or the facility being closed due to health and safety violations.
- Routine maintenance of land improvements, repair or resurfacing of existing roads or parking lots, ordinary maintenance of structures or equipment or systems;
- Expenditures to acquire or construct temporary facilities (does not include facilities required during construction);
- Vehicle charging stations;
- Computers;
- Office equipment;
- Furniture;
- Furnishings to include products consumed, used up or discarded after a short period. Examples of furnishings may include but are not limited to window coverings & blinds; non-fire or non-life-safety related interior signage; towels, linens, bedding and other kitchen, bath or bedroom related materials used by individuals; stand-alone organizing systems; lamps and stand-alone lighting; audio and visual equipment used for entertainment; etc.;
- Artwork;
- Rolling stock (such as vehicles);

- Lease payments for rental of equipment or facilities;
- Maintenance costs associated with operations of the facility,
- Costs associated with relocation, moving of equipment, furniture, etc. within or between facilities.

ACCESSING FUNDS

Awardees may draw down funds as frequently as once per month. All reimbursement requests will be submitted through our on-line Secure Access Washington (SAW) Contracts Management System (CMS) portal. See the [Contracts Management System website](#) for more information about our secure online access portal.

Reimbursement requests include:

- Completed A-19 or if a budget is set-up in SAW-CMS then the online warrant is acceptable;
- Completed Project Status Report;
- All costs must be substantiated with appropriate backup documentation;
- Submission of a [Reportable Expenses](#) form (aka “Diverse Spend”) listing every subcontractor and sub-subcontractor and if they are M/WBE; and
- Photos of the site at 50% and 100% completion.
- We may request other information from you to ensure compliance with our programmatic and contract requirements are being met. Your contract manager will provide more detail if more information is needed.

Only one contracted project can be represented on an A-19 or through a warrant in the SAW-CMS online system. The awardee will authorize someone from the organization to sign the A-19 submitted or submit a warrant through the SAW-CMS online system. Copies of invoices and proof of payments clearly documenting expenses claimed must accompany all requests for payment. Your contract manager will provide more information to you when you receive your contract.

COMPLIANCE AND MONITORING

COMPLIANCE

Awardees must comply with the Commerce agreement as well as conform to and obey all laws, ordinances, rules, regulations, requirements and orders of all municipal, county, state and federal authorities/agencies and all professional standards applicable to the provision of services under their agreement with Commerce.

By accepting the award of grant funds and entering into an agreement with Commerce, the awardee agrees to:

- Use grant funds as outlined in the Scope of Work in either the application or if agreed to by Commerce post-application negotiations;
- Expenditure of grant funds within the contract term;
- Become licensed or maintain licensure for behavioral health services at the behavioral health facility funded by Commerce;
- Increase behavioral health service capacity at the behavioral health facility as indicated in the application;
- Operate the facility so that publicly funded persons receive priority.

If the awardee is found out of compliance, this may result in withholding reimbursement, termination of the contract, and/or recapture of previously expended funds.

MONITORING

Awardee will allow Commerce, upon proper written notice, access to inspect the project site, audit and copy the project records associated with the funding and completion of the project to verify deliverables under the contract. Awardees will provide, at Commerce's request, data that may be included in reports to verify performance.

State Agency Review Notification

If DSHS, HCA, DCYF, or DOH review or inspects your facility while the capital project is underway, you must keep your contract manager informed about the outcome of the review or inspection.

BHF Projection Tracking

Until the reimbursement process for funds begins, the awardee may be requested from time to time to submit a Projection Tracking sheet to their contract manager. When the request is received by the awardee, it must be completed in a timely manner and returned to the contract manager. As well, once the reimbursement process begins and if the awardee is not requesting reimbursement on a regular basis, the awardee may be requested from time to time to submit a Project Tracking sheet to their contract manager. The BHF Program uses this information to inform the Legislature of future

expenditure needs so it is vitally important that the awardee provide timely and accurate information. The awardee will not be held to the projections, the data is for informational purposes only.

BHF Project Status Report

With each reimbursement request, the awardee will submit a completed Project Status Report. Reimbursement requests will not be processed without a complete report. If awarded funds are expended before completion of construction on the project identified in the contract scope of work, submission of a Project Status Report must be provided every two months following the last paid reimbursement request. Updated reports will be due until the project is in operations.

For projects funded under the Trueblood Crisis Stabilization funding category, there will be additional reporting and check-in requirements. The reporting requirements will help ensure the project stays on schedule and will also make available to the awardee additional technical assistance resources from state partners.

Grant Closeout

If an award is made and the awardee declines or COM withdraws the funding before the contract is executed, the contract manager will send a Withdrawn-Declined letter to the awardee to close out the award. The awardee must notify their contract manager about their decision to decline the award as soon as possible so COM may process the closeout in a timely manner.

If the grant is fully expended, the contract manager will send a Closeout letter to the awardee. If the grant is not fully expended and the awardee has no plans to expend the remaining grant funds, or the contract has reached the term and the grant funds are not expended, the contract manager will proceed with a deobligation process. As part of this process the awardee must sign and return the Closeout letter to their contract manager.

Proof of Licensure and Certification

Awardees who receive funds for acquisition, renovation or new construction must obtain (and maintain), by the time facility construction is complete, licensure and certification for the facility and behavioral health services provided. Depending on the facility type and services provided, licensure and certification comes from the [Department of Social and Health Services](#) (DSHS), [Department of Children, Youth and Families \(DCYF\)](#) and the [Department of Health](#) (DOH). The awardee must submit the letter(s) from the licensing entity to their contract manager.

End of Document
