



## **Small and Rural Hospital Relief Program**

### **Grant Guide For Fiscal Year 2022 - 2023**

This Guide presents general information related to the application preparation and submission process of the Small and Rural Hospital Relief Program and will be updated by HCAI periodically.

Rev. 04/07/2023

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## **A. Background and Mission**

Pursuant to the Health Outcomes and Prevention Education Act, Health and Safety Code Section 127885, et. Seq., the Department of Health Care Access and Information (HCAI) will consider application for the Small and Rural Hospital Relief Program (SRHRP or Program) for the purpose of funding seismic safety compliance with respect to small, rural, and critical access hospitals within the state of California.

HCAI may provide grants to small, rural, and critical access hospital applications that meet both of the following criteria:

- Seismic safety compliance imposes a financial burden on the applicant that may result in hospital closure; and
- The hospital closure would substantially impact the accessibility to health care in the communities surrounding the hospital.

## **B. Target Applicants, Eligible Applicants, Available Funding, and Award Categories**

### **1. Target Applicants**

The SRHRP is open to all small, rural, and critical access hospitals to fund seismic safety compliance related projects. The SRHRP encourages applicants needing to perform seismic compliance related work to its facilities, where seismic safety imposes a significant financial burden that may result in closure of the facilities and the closure would substantially impact the accessibility to health care in the communities surrounding the hospital. The Program focuses on applicants who operate in Medically Underserved Areas, Medically Underserved Populations, and/or Health Professional Shortage Areas as defined by HCAI's Medical Service Study Areas. Applicants are expected to remain financially viable during and after the foreseeable future of the proposed seismic safety compliance related project. Priority will be given to applicants who are able to demonstrate its ability to complete the proposed project with the SRHRP Grants and other available working capital, loans, funds, or grants.

### **2. Eligible Applicants**

HCAI will accept applications from small, rural, and critical access hospitals located within California.

- Small hospitals are defined as those having less than 50 beds per the federal definition found in the [Medicare Rural Hospital Flexibility Program Sec. 1820. \[42 U.S.C. 1395i-4\]](#).

- Rural hospitals are defined as those with a rural or frontier designation in HCAI's Medical Service Study Areas, which can be looked up using HCAI's Geo search tool: <https://geo.hcai.ca.gov/hpsa-search>.
- Critical access hospitals are those possessing the Critical Access Hospital designation from the Centers for Medicare and Medicaid Services.

All prospective applicants are encouraged to check their eligibility through the [Program Eligibility Tool](#). All applicants must have a current seismic compliance plan accepted by the Office of Statewide Hospital Planning and Development (OSHPD) prior to applying for funding.

### **3. Available Funding**

Senate Bill 395 in 2021 enacted the Healthy Outcomes and Prevention Education (HOPE) Act and imposed the California Electronic Cigarette Excise Tax on the sale of electronic cigarettes. This bill, beginning July 1, 2022, requires a purchaser of electronic cigarettes to pay a tax of 12.5 percent of the sale of an electronic cigarette. The bill would require all revenues, interest and penalties, less refunds, collected to be deposited into the California Electronic Cigarette Excise Tax Fund, a continuously appropriated fund created by the bill. Ten percent of these revenues will be designated for the SRHRP. Estimates project that the California Electronic Cigarette Excise Tax Fund will direct approximately \$2.4 million to the SRHRP in Fiscal Year 2022-2023 and \$2.1 million in Fiscal Year 2023-2024. Specific funding is contingent upon actual tax receipts.

Grant award sizing will be determined after funds are allocated to HCAI and staff has evaluated the number of applicants to the Program. Given the limited funding projections and the anticipated interest in the Program, awards will likely only be sufficient to assist with pre-design, seismic evaluation, design, or partial construction needs.

### **4. Award Categories**

#### **a. Award Category A: Pre-design Phase**

Award Category A provides funds to evaluate building as defined in the California Administrative Code, Chapter 6, Article 2, of Part 1, Title 24.

Applicants in this category may seek funding for review of as-built conditions, seismic evaluations, and materials testing and condition assessment projects and reports. A budget for the proposed scope of work is required as part of the application.

**b. Award Category B: Design Phase**

Award Category B provides funds for disciplines necessary to inform construction project needs and design, such as architectural and engineering services.

Applicants in this category must have all necessary pre-design functions reviewed and approved by OSHPD prior to eligibility for a grant award. A budget for the proposed scope of work is required as part of the application.

**c. Award Category C: Construction Phase**

Award Category C provides funds towards budgeted construction activity including general and special contractor services, Inspectors of Record and special inspectors, project management and other related construction delivery functions.

Applicants in this category must have a building permit prior to eligibility for grant award.

**C. Initiating an Application**

HCAI requires applications to be submitted online through the HCAI Funding Portal. To ensure proper functionality in the HCAI Funding Portal, use the Google Chrome or Microsoft Edge internet browsers. The HCAI Funding Portal is no longer compatible with Internet Explorer.

Applicants must log in the HCAI Funding Portal to create an application. To create a user account:

1. Go to: <https://funding.hcai.ca.gov>.
2. Click “Create Account” at the right-hand corner.
3. Fill out the requested information such as email address and password for the user account, then click “Create Account.”
4. Choose a user type, then fill out the personal information. Click “Submit.”
5. To sign in to the HCAI Funding Portal, click “Sign In” at the top of the screen.
6. Input the registered email address and password, click “Sign In.”

To create a new application:

1. Click “Apply Here” at the menu.
2. Choose “Small & Rural Hospital Relief Program.”
3. Read the program details, then click “Apply.”
4. On the General Information page, provide the facility information and answer the eligibility questions. Click “Save & Next” to move to the

Seismic Building Projects page.

5. On the Seismic Building Projects page, click “Add Compliance Project” and provide the project details, then click “Submit.”
6. If applicants have more than one seismic project (e.g., projects at multiple buildings and/or projects under different phases), repeat step 5 above.
7. After adding all projects, click “Save & Next” to move to the next page.
8. Follow the system guidance and provide all requested information of the facility and project in the next few pages.
9. After filling out all the requested information and uploading necessary documents, click “I Certify” and “Submit” on the Certification page.  
(Note: once application is submitted, it may not be edited or deleted).
10. Click “Applications – In Progress/Submitted” at the menu to show the newly created application.

Applicants are responsible for providing all necessary information and ensuring that the information contained in the application is accurate. By submitting the application, you/your organization agree to the terms and conditions in the Grant Agreement. HCAI will not consider incomplete applications. For more information on award consideration periods, refer to Section I. Key Dates in this Grant Guide. Once you click the submit button, you cannot revise the application unless you contact Program staff at [srhrp@hcai.ca.gov](mailto:srhrp@hcai.ca.gov).

## **D. Evaluation and Scoring Procedures**

### **1. Review Process**

HCAI staff review each application for eligibility, completeness, and conformity with the requirements outlined in this Grant Guide. Applications that pass the initial eligibility screening will be reviewed and scored by a panel using only the established evaluation and scoring criteria. Please refer to Attachment A for the Evaluation and Scoring Criteria.

All incomplete, ineligible, or otherwise non-compliant applications, and applications determined to be non-responsive to HCAI requirements or requests for follow-up information will not be considered for funding. You may withdraw your application from consideration at any time.

For those applications that did not pass the initial eligibility screening, HCAI will advise applicants by email that the application will not be held for further consideration or be funded. The decision not to make an award or to make an award at a particular funding level, is discretionary and is not subject to appeal to any HCAI official or board.

If, in the opinion of HCAI, an application contains false or misleading information, or provides documentation that does not support an attribute or condition claimed, HCAI will reject the application. HCAI reserves the right to reject any application or to reduce the amount funded to an applicant.

## **2. Evaluation and Scoring Criteria**

HCAI has critical indicators for each review criterion to assist you in presenting pertinent information in your application related to that criterion and to provide the reviewer with a standard for evaluation. See the review criteria outlined with specific detail and scoring points in Attachment A: Evaluation and Scoring Criteria.

The most competitive applicants are those most consistent with the intent of this grant opportunity.

## **E. Award Notification**

HCAI will issue a Notice of Award (NOA) to the grantee that indicates an award has been made and funds may be requested from HCAI. The NOA sets forth the amount of funds granted, the terms and conditions of the award, the effective date of the award, the budget period for which the award will be given, and the total period of performance for which grant is contemplated.

A revised NOA may be issued to affect an action resulting in a change in the period or amount of support or other change in the terms and conditions of award. An awarding office generally will not issue a revised NOA to reflect a grantee's post-award amendment of the project costs. Applicants who are selected for funding may be required to respond in a satisfactory manner to conditions placed on their NOA before funding can proceed. An NOA should not be considered an approval of reimbursement for incurred project costs. Applicants proceeding with their projects in advance of grant award do so at their own discretion.

## **F. Grant Agreement and Payment Provisions**

A Grant Agreement must be fully executed before any grant award payment shall be made. Please see Attachment B for Sample Grant Agreement.

Before any grant award payment shall be made, the grantee shall file with HCAI an Award Requisition (1) stating the amount and the description of the expenses of the approved project that have been paid by the Grantee; (2) providing invoices, proof of payments, and other supporting documents required by HCAI. You may request no more than the amount of the award. Please refer to Attachment C for a sample Award Requisition Request.

Costs incurred before the effective date of the Grant Agreement, whether or not they would have been allowable if incurred after such date, are unallowable unless approved by HCAI.

Upon receipt of each such document, HCAI will review and approve the Award Requisition Request.

HCAI will process payment applications for reimbursement or payment of an approved invoice for work performed on the application's project.

Project progress toward deadlines will be monitored using a milestone reporting method established at the time of NOA. Failure to meet approved milestones may result in cancellation of the NOA. It is the sole responsibility of the Grantee to adhere to the terms of the Grant Agreement.

## **G. Additional Terms and Conditions**

1. Grantees must sign and submit agreements by the due date. If the Grantee fails to sign and return the grant agreement by the due date, they may lose their award.
2. By submitting an application, you and your organization agree to the grant terms and conditions specified in this Grant Guide.
3. HCAI does not accept alternate grant agreement language from a prospective Grantee. HCAI will consider an application with such language to be a counter-offer and will reject it. HCAI will not negotiate the terms and conditions outlined in Attachments B: Sample Grant Agreement.
4. When the Grantee is a county, city, or other local public body, a copy of the resolution, order, motion, ordinance, or other similar document must accompany the signed grant from the local governing body authorizing execution of the agreement.
5. The Grantee must submit in writing any requests to change or extend the grant, or to change the budget at least 90 days before the grant end date.
6. The Public Records Act shall apply to all grant deliverables, including reports, applications, and supporting documentation.

## **H. Grant Questions and Technical Assistance**

You can find answers to most questions in this Grant Guide and/or in the HCAI Funding Portal. If you have any questions relating to the intent or interpretation of grant language, and/or completing and submitting an application, email HCAI staff at [srhrp@hcai.ca.gov](mailto:srhrp@hcai.ca.gov).



## I. Key Dates

Initial key dates for the program year are as follows:

| <b>Key Events</b>                        | <b>Dates and Times</b>  |
|--|---|
| Application Opens for Submittal          | April 17, 2023, at 12:00 p.m.   |
| Deadline for Initial Award Consideration | June 1, 2023, at 12:00 p.m.   |
| Award Notice                             | June 16, 2023   |
| Subsequent Award Consideration Deadline  | 90-day Cycle After Deadline for Initial Award Consideration, or as Additional Funding is Allocated to the SRHRP |

We would like to thank you for your interest in applying for SRHRP funding and for your continued efforts in seismic safety compliance.

### Attachment A: Evaluation and Scoring Criteria

| <b>Section I</b>  | <b>Eligibility Criteria</b>  | <b>Total Points Possible</b> |
|-------------------|--|------------------------------|
| 1                 | Is the applicant a small or rural hospital with less than 50 beds and/or designated as a Critical Access Hospital by the Centers for Medicare & Medicaid Services?   | 5                            |
| 2                 | Does the applicant attest that the work needed to achieve seismic safety compliance imposes a financial burden on the applicant that may result in hospital closure?   | 5                            |
| 3                 | Does the applicant attest that the closure described above would substantially impact the accessibility to health care in the communities surrounding the hospital?  | 5                            |
| 4                 | Has the applicant received acceptance of its Seismic Compliance Plan by OSHPD?   | 5                            |
| 5                 | Is the grant application to fund seismic safety compliance related projects?   | 5                            |
|                   | Total Points Possible for Section I<br>(Note, all 25 points in Section I are required to be eligible to apply)   | 25                           |
| <b>Section II</b> | <b>Other Considerations</b>  | <b>Total Points Possible</b> |
| 1                 | <p>What is the applicant's level of financial need for the grant to fund the proposed seismic project?</p> <p>20 points: The applicant has no other financial means to fund the proposed project without the grant.</p> <p>15 points: The applicant must rely primarily on the grant but is able to fund from its own reserves or finance a portion of the proposed project.</p> <p>10 points: The applicant has the financial capacity to fund from its own reserves or finance the majority of the proposed project.</p> <p>5 points: The applicant has the financial capacity to pay for the project from its own reserves.</p> | 20                           |
| 2                 | Is the applicant located in a (1) Medically Underserved  | 15                           |

|   |  |    |
|---|--|----|
|   | <p>Area (MUA), or (2) a Medically Underserved Population (MUP), or (3) a Health Professional Shortage Areas (HPSA).</p> <p>15 points: Yes to all 3 designations.<br/>         10 points: Yes to 2 designations.<br/>         5 points: Yes to 1 designation.<br/>         0 points: No to all 3 designations.</p>  |    |
| 3 | <p>Other than the requested SRHRP Grant, Applicant has demonstrated its ability to fund and/or finance the proposed project?</p>   | 15 |
| 4 | <p>Which project phase is the applicant seeking grant funding for?</p> <p>15 points: Pre-design/Seismic Evaluation Phase<br/>         10 points: Design Phase<br/>         5 points: Construction Phase</p>  | 15 |
| 5 | <p>The applicant is expected to remain financially viable throughout the proposed project.</p> <p>Pre-Design or Design Phase Applicants:</p> <p>15 points: Yes, applicant is a going concern for the duration of the phase.<br/>         0 points: No, the applicant is not a going concern for the duration of the short phase.</p> <p>Construction Phase Applicants:</p> <p>10 points: Based on one or more of the applicant's financial indicators such as days cash on hand (<math>\geq 60</math> days), net revenue (positive trend), net assets (positive) and debt service coverage (<math>\geq 1.20</math>), there are no concerns with the future financial viability of the applicant.</p> <p>15 points: Based on one or more of the applicant's financial indicators such as days cash on hand (<math>\geq 45</math> days), net revenue (flat/stable trend), and net assets (flat/stable), and debt service coverage (<math>\geq 1.00</math>) there are some concerns with the future financial viability of the applicant.</p> <p>5 points: Based on one or more of the applicant's financial indicators such as days cash on hand (<math>\geq 30</math> days, net revenue (negative and downward trend), and net assets (negative), and debt service coverage (<math>&gt; 1.00</math>), there are serious concerns with the</p> | 15 |

|   |  |            |
|---|--|------------|
|   | future financial viability of the applicant.   |            |
| 6 | <p>OSHPD’s Seismic Compliance Unit reviews the application and accepts the proposed seismic project as appropriate for the applicant.</p> <p>Note, an answer of "No" does not disqualify the applicant if project revisions are made and OSHPD accepts the project. If OSHPD does not accept the project, the application will be rejected.</p>  | 15         |
| 7 | <p>OSHPD’s Seismic Compliance Unit reviews the estimation of the project costs and accepts the proposed seismic project estimates as appropriate for the applicant.</p> <p>Note, no points are assigned for this subject. An answer of "No" will disqualify the application unless revisions are made, or proof of a fair estimate are provided.</p>   | -          |
| 8 | <p>How soon is the applicant able to complete the proposed project?</p> <p>15 points: The applicant can complete the proposed project within 12 months.</p> <p>10 points: The applicant can complete the proposed project within 12-24 months.</p> <p>5 points: The applicant can complete the proposed project within 24-36 months.</p> <p>0 points: The applicant will complete the proposed project after 36 months or by January 1, 2030, whichever comes first.</p> | 15         |
| 9 | Project delivery schedule completed, reviewed, and approved (plan submission, approval, permitting, commencement & completion).  | 5          |
|   | <b>Total Points Possible Section II</b>  | <b>115</b> |
|   | <b>Total Points Possible for Sections I and II</b>   | <b>140</b> |

## **Attachment B: Sample Grant Agreement**

GRANT AGREEMENT BETWEEN THE  
DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION AND  
[Facility Name]  
[HCAI Funding Portal Identifier #]

THIS GRANT AGREEMENT (“Agreement”) is entered into on [Award Date] (“Effective Date”) by and between the State of California, Department of Health Care Access and Information (“HCAI”), and [Facility Name] (the “Grantee”).

WHEREAS, HCAI is committed to expanding equitable access to health care for all Californians ensuring every community has the health workforce they need, safe and reliable health care facilities, and health information that can help make care more effective and affordable.

WHEREAS, HCAI is authorized to establish the Small and Rural Hospital Relief Program as described within Health and Safety Code § 130075, et seq., for the purpose of funding seismic safety compliance with respect to small hospitals, rural hospitals, and critical access hospitals in the state.

WHEREAS, Grantee applied to participate in the Small and Rural Hospital Relief Program, by submitting an application.

WHEREAS, Grantee was selected by HCAI to receive grant funds for the purpose of administering such grants.

NOW THEREFORE, HCAI and the Grantee, for the consideration and under the conditions hereinafter set forth, agree as follows:

### A. Definitions:

1. “Act” means the Small and Rural Hospital Relief Program as described within the Health and Safety Code § Sections 130075, et. seq.
2. “Application” means the grant application/proposal submitted by Grantee.
3. “Chief Deputy Director” means the Chief Deputy Director of the Department of Health Care Access and Information or their designee.
4. “Director” means the Director of the Department of Health Care Access and Information or their designee.
5. “Deputy Director” means the Deputy Director of the Office of Health Facility Loan Insurance or their designee.
6. “Grant Agreement/Grant Number” means Grant Number [HCAI Funding Portal Identifier #] awarded to Grantee.
7. “Grantee” means the fiscally responsible entity in charge of utilizing the grant funds identified on the Grant Application.

8. “Grant Funds” means the money provided by HCAI for the Project described by Grantee in its Application and Scope of Work.
  9. “Project” means the activity described in the Grantee’s Application and seismic Scope of Work to be accomplished with the Grant Funds.
  10. “Project Manager” means the Grantee’s assignee(s) overseeing the Project for which Grant Funds are being awarded.
  11. “Program Manager” means the HCAI manager responsible for the grant program.
  12. “State” means the State of California and includes all its Departments, Agencies, Committees and Commissions.
- B. Term of the Agreement: This Agreement shall take effect on [Award Date] and shall terminate [Termination Date] as described in the agreed upon milestones.
- C. Scope of Work and Milestones: Grantee agrees to the following Scope of Work and Milestones as set forth herein. In the event of a conflict between the provisions of this section and the Grantee’s Application, the provisions of this Scope of Work and Milestones Section shall prevail. The following Scope of Work and Milestones must be achieved by the Grantee to be eligible for progress payment invoicing described in D and E below:
- Milestone #1
  - Milestone #2
  - Milestone #3
- D. Invoicing:
1. HCAI will withhold payment of the Grant Award pending satisfactory completion of the Scope of Work or completed Milestones by the Grantee in accordance with all the terms and conditions required by the Agreement.
  2. The total amount payable to the Grantee under this Agreement shall not exceed [Grant Award Amount \$XXX,XXX.XX].
  3. Requests for reimbursement shall include the Agreement Number, the invoice for services rendered in accordance with the Scope of Work and Milestones listed in this Agreement, along with evidence of payment for that invoice. Submit the request form using the online forms that HCAI provides, located at <https://funding.hcai.ca.gov/>.
- E. Budget Detail and Payment Provisions:
1. Budget Detail: HCAI shall reimburse Grantee for the expenses incurred between [Award Date] and [Termination Date] in performing the Scope of Work and Milestones in accordance with the project budget attached in Exhibit A.
- F. Accounting Records and Audits: Grantee shall comply with the following reporting requirements established by HCAI:

1. Accounting: Accounting for grant funds will be in accordance with the Grantee's accounting practices based on generally accepted accounting principles consistently applied regardless of the source of funds. Supporting records must be in sufficient detail to show the exact amount and nature of expenditures. Grantee may elect to commingle grant funds received pursuant to the Agreement with any other income available for the project described in the grant application, provided that the Grantee maintains such written fiscal control and accounting procedures as are necessary to assure proper disbursement of, and accounted for, such commingled funds, including provisions for:
  - a. The accurate and timely separate identification of funds received.
  - b. The separate identification of expenditures prohibited by the grant criteria.
2. Expenditure Reporting: Reports of the Grant Funds expenditures under the Agreement must be submitted as requested by HCAI for purposes of program administration, evaluation, or review.
3. Records Retention and Audit:
  - a. The Grantee shall permit the HCAI Director, or the California State Auditor, or the State Controller, or their authorized representatives, access to records maintained on source of income and expenditures of its grant application project for the purpose of audit and examination.
  - b. The Grantee shall maintain books, records, documents, and other evidence pertaining to the costs and expenses of this grant (hereinafter collectively called the "records") to the extent and in such detail as will properly reflect all net costs, direct and indirect, of labor, materials, equipment, supplies and services, and other costs and expenses of whatever nature for which reimbursement is claimed under the provisions of this Agreement.
  - c. The Grantee agrees to make available at all reasonable times during the period set forth in subparagraph (d) below any of the records for inspection, audit or reproduction by an authorized representative of the State.
  - d. The Grantee shall preserve and make available its records (a) for a period of three (3) years from the date of final payment under this Agreement, and (b) for such longer period, if any, as is required by applicable statute, by any other clause of this Agreement, or by subparagraph (i) or (ii) below:
    - i. If this Agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.

- ii. Records which relate to (i) litigation of the settlement of claims arising out of the performance of this Agreement, or (ii) costs and expenses of this Agreement as to which exception has been taken by the State or any of its duly authorized representatives, shall be retained by the training institution until disposition of such appeals, litigation, claims, or exceptions.

G. Budget Contingency Clause:

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, HCAI shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement.
2. If funding is reduced or deleted by the Budget Act for purposes of this Program, HCAI may void this Agreement or may offer an agreement amendment account for the reduced amount; if HCAI offers an agreement amendment consistent with the terms of this budget contingency clause, HCAI may void the Agreement until the parties sign the offered amendment.

H. Breach: HCAI reserves the right to recover any and all amounts provided to the Grantee for Grantee's failure to perform the Scope of Work set forth in this Agreement. HCAI expressly reserves the right to pursue all legal and equitable remedies in the event of a breach by Grantee, including the right to disqualify Grantee from future funding opportunities.

I. Budget Adjustments:

1. Budget adjustments consist of a change within the Grantee's approved budget that does not amend the total amount of the grant. All requests to change the budget shall include an explanation for the reallocation of funds by the Grantee.
2. All requests for extending the grant period shall be submitted in writing to HCAI for approval. Requests for a time extension must be made to HCAI no later than 90 calendar days prior to the expiration of the Agreement. There shall be no activity on an Agreement after its expiration.

J. Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are



determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

K. General Terms and Conditions:

1. **Timeliness:** Time is of the essence in this Agreement. Grantee will submit the required deliverables as specified and adhere to the deadlines as specified in this Agreement. Anticipating potential overlaps, conflicts, and scheduling issues, to adhere to the terms of the Agreement, is the sole responsibility of the Grantee.
2. **Final Agreement:** This Agreement, along with the Grantee's Application, exhibits and forms constitutes the entire and final agreement between the parties and supersedes all prior oral or written agreements or discussions.
3. **Ownership and Public Records Act:** All reports and the supporting documentation and data collected during the funding period which are embodied in those reports, shall become the property of the State and shall be subject to the California Public Records Act.
4. **Audits:** The Grantee agrees that HCAI, the Department of General Services, the State Auditor, or their designated representative shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement. The Grantee agrees to maintain such records for possible audit for a minimum of three years after final payment unless a longer period of records retention is stipulated by the State. The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.
5. **Independence from the State:** Grantee and the agents and employees of Grantee, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
  - a. **Non-Discrimination Clause (See Cal. Code Regs., Title 2, § 11105):** During the performance of this Agreement, Grantee and its subcontractors shall not deny the Agreement's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability,

- medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Grantee shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.
- b. Grantee and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code § 12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., Title 2, § 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§ 11135-11139.5), and any regulations or standards adopted by HCAI to implement such article.
  - c. Grantee shall permit access by representatives of the Department of Fair Employment and Housing and HCAI upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or HCAI shall require to ascertain compliance with this clause.
  - d. Grantee and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
  - e. Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.
6. Waiver: A waiver by HCAI of a breach of this Agreement by the Grantee will not operate or be construed as a waiver of any other breach. HCAI expressly reserves the right to disqualify Grantee from any future grant awards for failure to comply with the terms of this Agreement.
  7. Approval: This Agreement is of no force or effect until signed by both parties. Grantee may not commence performance until such approval has been obtained.
  8. Amendment: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
  9. Assignment: This Agreement is not assignable by the Grantee, either in whole or in part, without the consent of the State in the form of a formal written amendment.
  10. Indemnification: Grantee agrees to indemnify, defend and hold harmless the State, its officers, agents, and employees (i) from any and all claims and losses accruing or resulting to any and all Grantee's, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies resulting from the Grantee's performance of this Agreement, and (ii) from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Grantee in the performance of this Agreement.

11. Disputes: Grantee shall continue with the responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement, shall be resolved as follows:
  - a. The Grantee will discuss the problem informally with the Program Manager. If unresolved, the problem shall be presented, in writing, to the Deputy Director stating the issues in dispute, the basis for the Grantee's position, and the remedy sought. Grantee shall include copies of any documentary evidence and describe any other evidence that supports its position with its submission to the Deputy Director.
  - b. Within ten working days after receipt of the written grievance from the Grantee, the Deputy Director or their designee shall make a determination and shall respond in writing to the Grantee indicating the decision and reasons for it.
  - c. Within ten working days of receipt of the Deputy Director's decision, the Grantee may appeal the decision of the Deputy Director by submitting a written appeal to the Chief Deputy Director stating why the Grantee does not agree with the Deputy Director's decision.
  - d. Within ten working days after receipt of the appeal, the Chief Deputy Director or their designee shall respond in writing to the Grantee with their decision. The Chief Deputy Director's decision will be final.
  
12. Termination for Cause: HCAI may terminate this Agreement and be relieved of any payments should the Grantee fail to perform the requirements of this Agreement at the time and in the manner herein provided. Grantee shall return any Agreement Funds that were previously provided to Grantee for use within 60 days of termination. If all grant funds have not been expended upon completion of the Agreement term, HCAI will request the remittance of all unexpended funds. If HCAI determines that improper payments have been made to Grantee, HCAI will request disgorgement of all disallowed costs. Grantee may dispute disallowed costs in accordance with Section M, Paragraph 11. Grantee will submit a check or warrant for the amount due within 60 days of the Grantee's receipt of HCAI's disgorgement request or 30 days from the Grantee's receipt of HCAI's last Dispute decision. If Grantee fails to remit payment, HCAI may withhold the amount due from any future grant payments.
  
13. Grantee's Subcontractors: Nothing contained in this Agreement shall create any contractual relationship between the State and any of the Grantee's subcontractors, and no subcontract shall relieve the Grantee of its responsibilities and obligations hereunder. The Grantee agrees to be as fully responsible to the State for any acts or omissions of its subcontractors and of persons either directly or indirectly employed by the Grantee. The Grantee's obligation to pay its subcontractors is an independent obligation from State's obligation to disburse funds to the Grantee. As a result, the State shall have

no obligation to pay or to enforce the payment of any money to any subcontractor.

14. Governing Law: This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
15. Unenforceable Provision: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
16. Use of Funds: The funding established pursuant to this act shall be utilized to advance seismic compliance.

L. Project Representatives: The Project Representatives during the term of this Agreement are listed below. Direct all contract inquiries to:

|  |   |
|--|---|
| State Agency:<br>Department of Health Care Access and Information                                  | Grantee:<br>[Facility Name]                           |
| Section/Unit:<br>Office of Health Facility Loan Insurance, Small and Rural Hospital Relief Program |   |
| Name:<br>[Program Staff's Name]  | Name (Main Contact):<br>[Applicant's Primary Contact] |
| Address:<br>2020 West El Camino Ave, Suite 1231<br>Sacramento, CA 95833                            | Address:<br>[Applicant's Address]                     |
| Phone:<br>(916) 319-8800   | Phone:<br>[Applicant's Primary Contact Phone Number]  |
| Email:<br><a href="mailto:srhrp@hcai.ca.gov">srhrp@hcai.ca.gov</a>                                 | Email:<br>[Applicant's Primary Contact Email Address] |

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of [Date].

DEPARTMENT OF HEALTH CARE  
ACCESS AND INFORMATION

GRANTEE: [Facility Name]

Signature:

Signature:

---

---

Name:

Name:

---

---

Title:

Title:

---

---

Date:

Date:

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**Grant Agreement - Exhibit A  
 Sample Budget Details**

**Budget Details  
 Facility Name: Example Medical Center**

|   | <u>Budgeted Cost</u> | <u>%</u>      |
|---|----------------------|---------------|
| <b>Professional Services:</b>                         |                      |               |
| Structural Engineer                                   | \$ 100,000           | 16.7%         |
| Architect   | \$ 100,000           | 16.7%         |
| Geotechnical Engineer                                 | \$ 100,000           | 16.7%         |
| <b>Total Professional Services</b>                    | <b>\$ 300,000</b>    | <b>50.0%</b>  |
| <b>Construction Services:</b>                         |                      |               |
| Contractor  | \$ 100,000           | 16.7%         |
| Inspector of Record                                   | \$ 100,000           | 16.7%         |
| Testing Laboratory Producing the MTCAR*               | \$ 100,000           | 16.7%         |
| <b>Total Construction Services</b>                    | <b>\$ 300,000</b>    | <b>50.0%</b>  |
| <b>Total Professional &amp; Construction Services</b> | <b>\$ 600,000</b>    | <b>100.0%</b> |

\*Materials Testing and Condition Assessment Report

**Attachment C: Sample Award Requisition Request**

**Requisition #**

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting Chief Executive Officer or Chief Financial Officer of [Facility Name], (the “Grantee”), and as such, is familiar with the facts herein certified and is authorized to certify the same on behalf of the Grantee;

(ii) that the undersigned is a duly designated “Authorized Representative” of the Grantee, as such term is defined in that certain Grant Agreement, dated as of \_\_\_\_\_ (the “Grant Agreement”), by and between the DEPARTMENT OF HEALTH CARE ACCESS AND INFORMATION (“HCAI”) and the Grantee;

(iii) that pursuant to the Grant Agreement, HCAI is hereby requested to disburse this requisition from the grant award established pursuant to the Grant Agreement to the payee(s) designated on the attached Schedule I, the amounts set forth opposite such payee(s), for payment or reimbursement of previous payment of costs for the Project (as defined in the Grant Agreement);

(iv) that each obligation to be paid pursuant to this Requisition has been incurred by the Grantee and are presently due and payable and that each item thereof is a proper charge against the grant award and has not been previously paid from the grant award.

Date: \_\_\_\_\_

Grantee

By \_\_\_\_\_  
*Authorized Representative*

| <b>Sample Schedule I<br/>Payment Instructions</b> |  |  |
|---|--|--|
| <b>Invoice A (firm/work completed)</b>            |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
| <b>Invoice B (firm/work completed)</b>            |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
| <b>Invoice C (firm/work completed)</b>            |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
|   |  |  |
| <b>Total</b>                                      |  |  |