

Model Business Grants

Arkansas Historic Preservation Program

Department of Arkansas Heritage

This booklet is part of the series "Grant Programs of the Arkansas Historic Preservation Program."

The other titles in the series are:

- Certified Local Government Grants
- Historic Preservation and Restoration Grants
- County Courthouse Restoration Grants
- Preservation Education Grants
- Main Street Arkansas Revitalization Grants

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TABLE OF CONTENTS

Page

General Information	3
Purpose	3
Description of Grant Program	3
I. Requirements	3
Eligibility	3
State and Federal Regulations	4
Application	4
Matching Requirement	4
Contract	5
Restrictive Covenants	5
Required Workshop	5
Architectural Design	6
Construction Guidelines	6
II. Grant Procedures	6
Grant Awards	6
Selection Criteria	6
Project Time Limits	7
Project Review/Approval	8
Allowable Expenses	9
Non-allowable Expenses	10
Selection of an Architect	10
Selection of a Contractor	11
Contractor Licensing Requirements	11
Contractor Insurance and Bonding Requirements	12
Bid Procedures	12
Invitation to Bid	12
Competitive Negotiation	13
Noncompetitive Negotiation	15
Bid Documentation	15
Bid Acceptance and Award	16
Grant Payments	16
In-kind Documentation	18
Financial Records	19
Reporting	19
Acknowledgment of AHPP Assistance	19
Reassignment of Funds	20
III. Executive Order 98-04	20
<u>GENERAL INFORMATION</u>	

Grants awarded by the Arkansas Historic Preservation Program (AHPP) are funded by the

General Revenues of the State of Arkansas and Special Revenues under the Real Estate Transfer Tax passed as Acts 729 and 818 of 1987, or by the National Park Service, United States Department of the Interior. The policies and procedures of the Arkansas Historic Preservation Program, as well as regulations governing the expenditure of all state and federal funds, must be followed by all grant recipients. The regulations set forth in this manual must be strictly adhered to by both the Arkansas Historic Preservation Program and by all grant recipients.

PURPOSE

The Arkansas Historic Preservation Program's Model Business Grant Program is designed to assist active Main Street programs in transforming existing downtown businesses into examples for other local downtown businesses to follow.

DESCRIPTION OF GRANT PROGRAM

The grant is designed to focus on three areas of a business:

1. Facade restoration or rehabilitation
2. Interior renovation
3. Small business financial consultation

All three areas **must** be addressed in the grant project.

I. REQUIREMENTS

Eligibility

Any downtown business in an active Main Street Arkansas town is eligible under this program. Applications are submitted by the local Main Street Program Manager and more than one application per town can be submitted.

State and Federal Regulations

Applicants must agree to abide by and comply with applicable regulations and policies of the AHPP, including Fair Labor Standards, Title VI of the Civil Rights Act of 1964 [42 USC 2000 (d)] and Section 504 of the Rehabilitation Act of 1973 [29 USC Section 794], the Americans with Disabilities Act of 1991, Title IX of the Education Amendment of 1973, as well as all other applicable state and federal laws, regulations and executive orders. These laws prohibit discrimination on the basis of race, religion, national origin, age, or disability. In implementing public access, reasonable accommodations shall be made in consultation with the AHPP.

Application

Applications are submitted by the local Main Street Program Manager and must include project descriptions, plans and specifications, cost estimates, etc., as required. A city may submit applications on more than one business if desired. The AHPP Model Business Grant Application Form is included in the grant application packet.

Matching Requirement

Each applicant must provide a 100-percent match of the grant amount, with at least half of that match in the form of cash.

Contract

Each grantee must sign a contract with the AHPP and comply with all of its terms. The contract is included in the grant award packet.

Restrictive Covenants

Because these grants are funded with public monies they may be subject to restrictive covenants following completion of the project. Specific restrictions will vary depending on such factors as National Register status; location; nature of the grant project; amount of the grant; matching share of the property owner/tenant, etc. Restrictive covenants may stipulate that no visual or structural alterations may be made to the property without prior written permission of the AHPP. The specific conditions of the restrictive covenants, to include their duration, will be coordinated with the property owner/tenant and will be specified in the grant contract. The property owner/tenant may also be required to sign a restrictive covenant document that stipulates the conditions of the restrictive covenants. This document will be maintained on file in the AHPP's office for the duration of the effective period of the covenant. These restrictive covenants may follow the property through changes in owners/tenants.

Required Workshop

Grantees must attend a grant administration workshop in Little Rock at a time and location specified by the AHPP. Attendance is MANDATORY for the grant recipient or project manager. FAILURE TO ATTEND THE GRANT ADMINISTRATION WORKSHOP WILL RESULT IN CANCELLATION OF THE GRANT AWARD.

Architectural Design

The Arkansas Historic Preservation Program does require that design concept drawings for a building facade project funded with AHPP grant funds be prepared in consultation with a Main Street Arkansas architectural design consultant

Construction Guidelines

All grant-supported projects must be in accordance with The Secretary of the Interior's Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings. A copy of these standards is included in the award packet.

II. GRANT PROCEDURES

Grant Awards

Grants will be awarded annually. Eligible proposals will be evaluated by a Grants Review Committee, consisting of the director of the AHPP, the chairman of the AHPP State Review Board, and a designated constituent at large.

Selection Criteria

The grant selection committee uses the following primary criteria to evaluate proposals:

- Evidence that the objectives of the project can be achieved within the framework set forth by the applicant.
- Qualifications and experience of the applicant and others participating in the project.
- Interest of the applicant in undertaking the project and acquired benefits to the applicant and to the general goals of the AHPP.
- The proposal must show the appropriateness of the budget and evidence support for matching funds.
- The proposal must evidence timeliness and the need and significance of the project.
- The proposal must evidence the ability of the applicant to administer the project (reporting history, compliance, etc.) in accordance with the grant agreement.
- Adequacy of facilities, equipment and personnel involved with the project must be shown.

- The application must be complete in all areas.

Additionally, because of the unique nature of this grant program, any provisions outlined in the grant application that would provide collateral benefits to other downtown businesses or the Main Street program will be looked at and considered. The AHPP will select the strongest candidates from this initial screening and review for further, on-scene review. An AHPP team will then visit each of these candidate businesses for further evaluation. At a minimum, this team will meet with the Main Street program manager and the business owner for first-hand discussions on the proposed project.

Project Time Limits

All projects must be completed within the contract period. A grantee who is unable to meet a project deadline is required to submit a written request for an extension of time at least 14 working days prior to the deadline. This request will be reviewed by the AHPP and the grantee will be notified as soon as possible of the action taken. If the grantee does not meet an established deadline and does not submit a request for an extension, it may be necessary to reassign funds awarded for the project. A grantee who encounters serious financial problems after accepting a grant, or who is for some other reason unable to proceed with the project, should immediately inform the AHPP. The funds will then be reassigned or returned to the AHPP according to the procedure outlined below.

Project Review/Approval

Project plans, specifications, and work-cost breakdowns must be forwarded to and reviewed

by the AHPP staff. If clarification or additional information is required, the grantee will be contacted.

When preparation for the project is complete, the grantee will notify the AHPP. The AHPP will then conduct a final review of all project plans and required documents. When all is in order, the AHPP will provide written authorization for work to begin. **Work may not begin until grantee receives this project initiation letter.**

The AHPP staff will inspect the project before, during, and after the completion of the work. Once work has begun, the site visits may be made without notification to the grantee. An AHPP photographer may photograph the project.

The grantee and/or the project architect (if required) are encouraged to contact the AHPP with questions at any time before or during work on the project. Grantees are required to consult with the AHPP prior to commencement of work if changes are made to the original proposal . Unsatisfactory work will have to be redone. All project work that does not appear in the approved work-cost breakdown will be considered unsatisfactory. **No changes in the work plan may be made after the project has been approved unless such changes are submitted in writing to and approved by the AHPP beforehand.** If changes are not approved, it is possible that the final work may not be approved and that full funding for the project could be denied. In the event of unforeseen problems, the AHPP staff will work to find a solution satisfactory to both the grantee and the AHPP.

Allowable Expenses

A list of some of the most frequently used allowable costs follows. To be considered allowable, all costs must appear in the approved work-cost breakdown.

1. Historical, architectural, or archeological research necessary to implement and carry out project work
2. Salaries and wages of project personnel
3. Expendable supplies and materials
4. Rental or lease of project equipment
5. Travel directly related to the project
6. Exterior restoration
7. Interior restoration
8. Structural repairs
9. Improvement or replacement of mechanical, electrical, and plumbing systems
10. Fire and burglary protection and alarm systems
11. Landscaping to restore documented historical features or to provide safety and protection for the historic structure
12. Work to address accessibility and compliance with the Americans with Disabilities Act.

Non-allowable Expenses

The following costs are not reimbursed by Model Business Grants:

1. Any item not listed in the approved work-cost breakdown
2. Deficits
3. Contingency funds
4. Contributions or donations to other organizations or individuals
5. Capital expenditures defined as tangible property costing \$100 or more and having a life

span of two or more years (some exceptions apply)

6. Entertainment expenses, including refreshments, flowers, reception costs, etc. (some exceptions apply)
7. Interest and other financial costs
8. Lobbying expenses
9. Work accomplished prior to award of grant.

Selection of an Architect

Recipients of Model Business Grants are required to use the services of an architect licensed by the state of Arkansas. The architect will prepare plans, specifications, a work-cost breakdown, and other required contract documents, for submission to the AHPP, and will supervise the project. This requirement may be waived by the AHPP under certain circumstances.

Procedures for selection of an architect are contained in Act 616 of 1989 of the State of Arkansas and should be reviewed. The major provisions of the selection process are stated here:

1. Competitive bidding for procurement of architectural services is prohibited.
2. Contracts for architectural services shall be negotiated on the basis of demonstrated competence and qualifications.
3. Select three (3) qualified firms based on such criteria as:
 - a. specialized experience and technical competence;
 - b. ability to work within required time limitations;
 - c. past record; and
 - d. proximity to and familiarity with the project

4. Negotiate a satisfactory contract with the most qualified firm. (See Section 5 of Act 616 for more details on the negotiating process.)

The architect selected by the grantee must arrange to meet with the Arkansas Historic Preservation Program staff to discuss the project in detail.

Selection of a Contractor

Procedures for selecting a contractor and requirements for contractors are contained in Act 159 of 1949 as amended and should be reviewed. The major provisions of Act 159 are:

Contractor License Requirement

1. On projects of \$20,000 or more, contractors must be licensed by the Arkansas Contractors Licensing Board. Contractors shall indicate their current license number on their bid forms.
2. On projects of less than \$20,000, licensed contractors are not required, although the AHPP highly recommends licensed contractors for all projects.
3. On projects of \$50,000 or more, the general contractor must list any roofing, plumbing, electrical and HVAC subcontractors and these subcontractors must be licensed by the Arkansas Contractors Licensing Board.

Contractor Insurance and Bonding Requirements

1. All contractors must carry construction liability and workers compensation insurance regardless of the cost of the project.
2. On projects of \$10,000 to \$19,999, contractors must furnish a 5% bid bond.
3. On projects of \$20,000 or more, contractors must furnish a 5% bid bond and a 100% performance bond.
4. Bonds shall be written in favor of the grantee. After approval by the architect, the contractor shall file the bond with the Circuit Clerk and Recorder of the county where the work is to be performed. The contractor shall obtain from the Circuit Clerk certificates as evidence that the bond has been approved and filed with the Clerk and said certificates shall be filed with the architect. The bond must be obtained by the contractor before the contract between the owner and the contractor can be put into effect.
5. Insurance and bonding agents must be licensed and authorized to do business in Arkansas.

Bid Procedures

Most grantees funded by this grant program must use competitive bidding to purchase goods, services, materials, and labor. Competitive sealed bidding is required for the purchase of any construction-related goods and services of \$10,000.01 or more. All procurement of construction-related products and services between \$1,000.01 - \$10,000.00 shall be done by soliciting competitive quote bids by telephone or in writing from at least three qualified vendors.

Invitation to Bid

For projects costing more than \$10,000.01, the grantee must seek bids by placing an advertisement once each week for at least two consecutive weeks in a publication that has general circulation in the county where the work is to be performed. The bid date must be at least one week following the last advertisement. The grantee may also use additional advertising sources.

If a bid bond is required, the amount may be stated as a percentage. The notice shall include a general description of the goods or services to be procured; shall state where bid documents may be obtained; shall state the date, time, and place of bid opening; and shall inform bidders that state funds are being used, and that relevant regulations, restrictions and applicable laws apply.

If, having advertised for bids, no bids are received by the date of the bid closing, the grantee must advertise for the goods and/or services to be procured a second time, with a second bid closing date established in accordance with these regulations.

Bids shall be opened at the time and place designated in the public notices and the invitation

for bid. When practical, the names of the bidders and the amounts of their bids may be read aloud. Except where it may be deemed impractical, due to the nature or complexity of any invitation for bids, an abstract of bids which contains the amount of each bid and the name of the bidder shall be prepared for each invitation for bids. An abstract of bids shall be retained in the bid file and shall be available for public inspection.

Competitive Negotiation

Competitive negotiation may be used if conditions are not appropriate for the use of formal advertising. In competitive negotiation, proposals are requested from a number of sources and the Request for Proposals is publicized, negotiations are normally conducted with more than one of the sources submitting offers, and either a fixed-price or cost-reimbursable type contract is awarded, as appropriate. If competitive negotiation is used for a procurement under a grant, the following requirements shall apply:

1. Proposals shall be solicited from an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirement of the procurement. The Request for Proposals shall be advertised a minimum of five days statewide, and reasonable requests by other sources to compete shall be honored to the maximum extent practical.
2. The Request for Proposals shall identify all significant evaluation factors. This identification must include the price or cost, where required, and the relative importance attached to price or cost.
3. The grantee shall provide mechanisms for technical evaluation of the proposals received,

determinations of responsible offerors for the purpose of written or oral discussions, and selection for contract award.

4. Award may be made to the responsible offeror whose proposal will be most advantageous to the procuring party, price and other factors considered. Unsuccessful offerors should be notified promptly.
5. Grantees may utilize competitive negotiation procedures for procurement of architectural, engineering, archeological, and other professional services, whereby competitor's qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation.

Noncompetitive Negotiation

Noncompetitive negotiation may be used when the award of a contract is not feasible under competitive bidding (formal advertising) or competitive negotiation procedures. Noncompetitive negotiation is procurement by soliciting a proposal from only one source, or after soliciting a number of sources, it becomes apparent the competition is not adequate. Circumstances under which a contract may be awarded by noncompetitive negotiation are limited to the following:

1. The item is available only from a single source.
2. Public exigency or emergency when the urgency for the requirement will not permit a delay incident to competitive solicitation.

3. After solicitation of a number of sources, competition is determined inadequate.

Single source contracts must be approved by the AHPP.

Bid Documentation

The following bid documentation is required and a copy must be provided to the AHPP:

1. Dated copies of all required advertisements
2. Dated copies of all sealed bids received
3. Names and addresses of all vendors contacted for quote bids
4. Quotes from all bids
5. Documentation of negotiations for negotiated contracts
6. Justification for why the lowest bid was not accepted, if such was the case.

Bid Acceptance and Award

An award may be made to the lowest aggregate bidder for all items, group of items, or on an individual item basis, whichever is deemed to be in the best interest of the project.

The right to reject any and all bids and to waive technicalities and minor irregularities in bids should be allowed.

After a reasonable evaluation period, the contract shall be awarded to the responsive and responsible bidder who submitted the lowest bid that meets the requirements and criteria set forth in the Invitation for Bids. If after evaluation of the bids, including consideration of any clarifying or explanatory information submitted by the bidders, it is determined that no satisfactory bid has been received, all bids may be rejected. If all bids are rejected, the grantee

must re-advertise for the goods and/or services to be provided in accordance with these regulations.

Grant Payments

Since grants are based on anticipated federal funds or state revenues and not on existing funds, grant amounts could be reduced at any time during the grant period.

Model Business Grant payments will be made directly to the grantee (the local Main Street Program Manager). **No payment will be made to the grantee unless requests are accompanied by progress or final reports as applicable.**

Depending on the grant payment option specified in the grant contract, the grantee may submit a request for all of the grant charges on one invoice or for partial payment. In no case, however, should more than four (4) invoices be submitted for one project.

Grantee should submit an invoice to the AHPP, using the AHPP invoice form, listing all allowable expenses and attaching copies of any vendors' invoices. A copy of the AHPP invoice form is included in the grant award packet. Partial payment request must be accompanied by progress reports. Full or final payment requests must be accompanied by final project reports.

The schedule of grant payments will depend upon the nature of the project. Grant payments will be made directly to the grantee.

The grantee should use the following procedure:

1. Grantee must supply a progress report with each request for payment.
2. One of the following payment options will be included in the contract upon mutual agreement between the AHPP and the grantee:
 - a. Payment upon completion of portions of the project

- b. Payment upon completion of the total project
 - c. Advance payment (if pre-approved by the AHPP)
3. Requests for partial reimbursement payments **must** include:
- a. Progress report
 - b. AHPP invoice form
 - c. Vendor invoice (s)
 - d. In-kind documentation
4. Final payment will be processed upon approval of completed work. Request for final payment **must** include:
- a. Final project report
 - b. AHPP invoice form
 - c. Vendor invoices
 - d. In-kind documentation
 - e. **Photographs of completed project**

NOTE: A blank AHPP invoice form, progress report form, and final project report form are included in the grant award packet. Please make copies as needed.

In-kind Documentation

Labor and/or material that is donated to the grant-funded project may be designated an in-kind match. The grantee must document such match.

The grantee should keep time sheets for all donated labor, identifying the work, dates and

hours worked, and the value of the work performed. Rates used must be consistent with those paid for similar work in the labor market in which the grantee competes for the kind of services involved. If a volunteer performs services outside his or her profession or trade, this volunteer time must be valued at the federal minimum wage rates. Time sheets for donated labor should be submitted to the Arkansas Historic Preservation Program along with required status reports.

A statement of donated materials should be submitted to the Arkansas Historic Preservation Program when such materials are to be used as part of the grantee's match. The written statement should include a description of the materials, their value, and the name and signature of the donor. Information on donated materials must be filed with the Arkansas Historic Preservation Program when such materials are to be used as part of the grantee's match. The written statement should include a description of the materials, their value, and the name and signature of the donor. Information on donated materials must be filed with the Arkansas Historic Preservation Program before the final grant payment can be made

Financial Records

Grantee is required to maintain accurate records of all expenditures for the project. Grantee is subject to make all financial records available for audit.

Reporting

Grantees are required to submit reports during the grant period according to the grant agreement.

Progress reports are required at least quarterly and must accompany any partial payment request.

A final project report is required no later than 30 days after completion of the project. This report must include certification/documentation of cash match, in-kind contributions, and total project costs. Full or final payment requests must be accompanied by the final report.

Acknowledgement of AHPP Assistance

News release and other public dissemination of information generated by a grant-supported activity must acknowledge the Arkansas Historic Preservation Program, an agency of the Department of Arkansas Heritage, as a source of financial support.

Reassignment of Funds

The director of the AHPP, the chairman of the Arkansas Historic Preservation Program State Review Board, and a designated constituent at large will meet to determine the reassignment of any unused grant funds previously awarded. The funds may be awarded to another qualified applicant with a current grant proposal on file, or returned to the AHPP depending upon such factors as the amount involved, the needs at the time the funds become available, and when in the grant cycle the funds become available. All available information will be considered to ensure an equitable reassignment of funds.

III. EXECUTIVE ORDER 98-04

All work performed with AHPP grant funds must comply with the terms of EO-98-04. A copy of the executive order is attached.