



Rural Hospital Capital Improvement Grant Program - 2021

GRANT REQUEST FOR PROPOSAL (RFP)

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12/14/2020

To obtain this information in a different format, call: 651-201-3840.

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RFP Part 1: Overview

1.1 General Information

- **Announcement Title:** Rural Hospital Capital Improvement Grant Program – Fiscal Year 2021
- **Minnesota Department of Health (MDH) Program Website:**
<https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#rural>
- **Application Deadline:** 11:59 PM, Friday, January 29, 2021

1.2 Program Description

Minnesota Statutes, Section 144.148 authorizes the Commissioner of Health to award grants to eligible rural hospitals for modernization projects to update, remodel or replace aging hospital facilities and equipment necessary to maintain the operations of a hospital.

1.3 Funding and Project Dates

Funding

Funding will be allocated through a competitive process. If selected, you may only incur eligible expenditures when the grant agreement is fully executed and the grant has reached its effective date.

Funding	Estimate
Estimated Amount to Grant	\$1,129,599
Estimated Number of Awards	12
Estimated Award Maximum	\$125,000
Estimated Award Minimum	\$45,000

Match Requirement

Applicant hospitals must certify that at least 25 percent of the grant request amount will be matched from non-state sources.

Estimated Project Dates

June 1, 2021 – June 30, 2025

1.4 Eligible Applicants

An eligible applicant for this grant program is a not-for-profit, nonfederal, general acute care hospital in Minnesota that also satisfies the following criteria:

- is located in a rural area, or in a community with a population of less than 15,000 according to United States Census Bureau statistics, and is outside the seven-county Twin Cities metropolitan area;
- has 50 or fewer beds; and
- certifies that at least one-quarter of the grant amount, which may include in-kind services, is available for the same purposes from non-state resources.

1.5 Questions and Answers

All questions regarding this RFP must be submitted by email or phone to Craig Baarson, Grant Manager at Health.RuralHospitalGrants@state.mn.us or 651-201-3840. Answers will be posted on a weekly basis at

<https://www.health.state.mn.us/facilities/ruralhealth/funding/grants/index.html#rural>.

Please submit questions no later than January 21, 2021.

To ensure the proper and fair evaluation of all applications, other communications regarding this RFP, including verbal, telephone, written or internet initiated by or on behalf of any applicant to any employee of the Department, other than questions submitted to as outlined above, are prohibited. **Any violation of this prohibition may result in the disqualification of the applicant.**

RFP Part 2: Program Details

2.1 Priorities

Health Equity Priorities

It is the policy of the State of Minnesota to ensure fairness, precision, equity and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making. [The Policy on Rating Criteria for Competitive Grant Review](#) establishes the expectation that grant programs intentionally identify how the grant serves diverse populations, especially populations experiencing inequities and/or disparities.

2.2 Eligible Projects

The Rural Hospital Capital Improvement Grant Program funds modernization projects to update, remodel or replace aging hospital facilities and equipment necessary to maintain the operations of a hospital. There are two categories of eligible projects:

- Purchase and installation of new hospital equipment
- Construction of new or existing hospital spaces

Ineligible Expenses

Ineligible expenses include but are not limited to:

- Fundraising
- Taxes, except sales tax on goods and services
- Lobbyists, political contributions
- Bad debts, late payment fees, finance charges, or contingency funds

2.3 Grant Management Responsibilities

Grant Agreement

Each grantee must formally enter into a grant agreement. The grant agreement will address the conditions of the award, including implementation for the project. Once the grant agreement is signed, the grantee is expected to read and comply with all conditions of the grant agreement.

No work on grant activities can begin until a fully executed grant agreement is in place.

The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

Accountability and Reporting Requirements

It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports until all grant funds have been expended and all of the terms in the grant agreement have been met.

The reporting schedule will be once every six months. A standard invoice and report form will be provided to grantees.

Grant Monitoring

[Minn. Stat. §16B.97](#) and the State's [policy on grant monitoring](#) require (1) at least one monitoring visit and (2) a financial reconciliation of grantees' expenditures before final payment is made on all state grants over \$50,000.

Grant Payments

Per [State Policy on Grant Payments](#), reimbursement is the method for making grant payments. All grantee requests for reimbursement must correspond to the approved grant budget. The State shall review each request for reimbursement against the approved grant budget, grant expenditures to-date and the latest grant progress report before approving payment. Grant payments shall not be made on grants with past due progress reports unless MDH has given the grantee a written extension.

2.4 Grant Provisions

Conflicts of Interest

MDH will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per [Minn. Stat. §16B.98](#) and [Conflict of Interest Policy for State Grant-Making](#).

Applicants must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work contemplated by this RFP. The list must provide the name of the entity, the relationship, and a discussion of the conflict. Submit the list as an attachment to the application. If an applicant does not submit a list of conflicts of interest, MDH will assume that no conflicts of interest exist for that applicant.

Organizational conflicts of interest occur when:

- a grantee or applicant is unable or potentially unable to render impartial assistance or advice to the Department due to competing duties or loyalties
- a grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties

In cases where a conflict of interest is suspected, disclosed, or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

Public Data and Trade Secret Materials

All applications submitted in response to this RFP will become property of the State. In accordance with Minnesota Statute Section 13.599, all applications and their contents are private or nonpublic until the applications are opened.

Once the applications are opened, the name and address of each applicant and the amount requested is public. All other data in an application is private or nonpublic data until completion of the evaluation process, which is defined by statute as when MDH has completed negotiating the grant agreement with the selected applicant.

After MDH has completed the evaluation process, all remaining data in the applications is public with the exception of trade secret data as defined and classified in Minn. Stat. § 13.37, Subd. 1(b). A statement by an applicant that the application is copyrighted or otherwise protected does not prevent public access to the application or its contents. (Minn. Stat. § 13.599, subd. 3(a)).

If an applicant submits any information in an application that it believes to be trade secret information, as defined by Minnesota Statute Section 13.37, the applicant must:

- Clearly mark all trade secret materials in its application at the time it is submitted,
- Include a statement attached to its application justifying the trade secret designation for each item, and
- Defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless MDH and the State of Minnesota, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense.
- This indemnification survives MDH's award of a grant agreement. In submitting an application in response to this RFP, the applicant agrees that this indemnification survives as long as the trade secret materials are in possession of MDH. The State will not consider the prices submitted by the responder to be proprietary or trade secret materials.

MDH reserves the right to reject a claim that any particular information in an application is trade secret information if it determines the applicant has not met the burden of establishing that the information constitutes a trade secret. MDH will not consider the budgets submitted by applicants to be proprietary or trade secret materials. Use of generic trade secret language encompassing substantial portions of the application or simple assertions of trade secret without substantial explanation of the basis for that designation will be insufficient to warrant a trade secret designation.

If a grant is awarded to an applicant, MDH may use or disclose the trade secret data to the extent provided by law. Any decision by the State to disclose information determined to be trade secret information will be made consistent with the Minnesota Government Data Practices Act (Minnesota Statutes chapter 13) and other relevant laws and regulations.

If certain information is found to constitute trade secret information, the remainder of the application will become public; in the event a data request is received for application information, only the trade secret data will be removed and remain nonpublic.

Audits

Per [Minn. Stat. §16B.98](#) Subdivision 8, the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Affirmative Action and Non-Discrimination Requirements for all Grantees

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified. [Minn. Stat. §363A.02](#). The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Minnesota Rules, part [5000.3500](#)

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

2.5 Review and Selection Process

Review Process

Funding will be allocated through a competitive process with review by a committee of individuals knowledgeable in rural hospital operations and finance. The review committee will evaluate all eligible and complete applications received by the deadline.

MDH will review all committee recommendations and is responsible for award decisions. **The award decisions of MDH are final and not subject to appeal.** Additionally:

- MDH reserves the right to withhold the distribution of funds in cases where proposals submitted do not meet the necessary criteria.
- The RFP does not obligate MDH to award a grant agreement or complete the project, and MDH reserves the right to cancel this RFP if it is considered to be in its best interest.
- MDH reserves the right to waive minor irregularities or request additional information to further clarify or validate information submitted in the application, provided the

application, as submitted, substantially complies with the requirements of this RFP. There is, however, no guarantee MDH will look for information or clarification outside of the submitted written application. Therefore, it is important that all applicants ensure that all sections of their application are complete to avoid the possibility of failing an evaluation phase or having their score reduced for lack of information.

Selection Criteria and Weight

The review committee will be reviewing each applicant on a 100-point scale. A standardized scoring system will be used to determine the extent to which the applicant meets the selection criteria.

The scoring factors and weight that applications will be judged are based on the following:

- A maximum of 40 points for an applicant's clarity and thoroughness in describing the problem and the project as a solution to the problem.
- A maximum of 40 points for the extent to which the applicant has demonstrated adequate provisions to ensure proper and efficient operation of the facility once the project is completed.
- A maximum of 20 points for the extent to which the proposed project is consistent with the hospital's capital improvement plan or strategic plan.
- Reviewers may also take into account other relevant factors such as the urgency of the project to keep the hospital functioning, and the extent to which the hospital is ready to implement the project.

Grantee Past Performance and Due Diligence Review Process

- It is the policy of the State of Minnesota to consider a grant applicant's past performance before awarding subsequent grants to them.
- State policy requires states to conduct a financial review prior to a grant award made of \$25,000 and higher to a nonprofit organization, in order to comply with [Policy on the Financial Review of Non-Governmental Agencies](#).

Notification

MDH anticipates notifying all applicants via email of funding decisions by March 16, 2021.

RFP Part 3: Application and Submission Instructions

3.1 Application Deadline

All applications **must** be submitted online through the online grant portal no later than **11:59 p.m. Central Time on Friday January 29, 2021.**

Late applications will not be accepted. It is the applicant's sole responsibility to allow sufficient time to address all potential delays caused by any reason whatsoever. MDH will not be responsible for delays caused by mail, delivery, computer or technology problems.

3.2 Application Submission Instructions

Applications must be submitted electronically through the ORHPC online grant portal:

Read the request for proposal for program information and application instructions. You will need to create an account in the online [Grants Portal](#), after which you will be taken to the electronic application within the Portal.

If you have any questions, please contact us at: Health.RuralHospitalGrants@state.mn.us

3.3 Application Instructions

The Application includes the following components:

- Online form:
 - Organization and Application Information
 - Project Information
 - Narrative
 - Hospital and Census Information
 - Budget Narrative
 - Grant Budget Line Item Request
- Required Attachments
 - [Key Personnel Biographical Sketch\(es\)](#).
 - [Competitive Bidding Form](#)
 - [Governing Board Resolution](#)
 - Audited Financial Statements
 - [Due Diligence form](#)

Incomplete applications will be rejected and not evaluated.

Applications must include all required application materials, including required attachments.

MDH reserves the right to reject any application that does not meet these requirements.

By submitting an application, each applicant warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential grant award. The submission of

inaccurate or misleading information may be grounds for disqualification from the award, as well as subject the applicant to suspension or debarment proceedings and other remedies available by law.

All application documents submitted to MDH become public information once awards are announced.

All costs incurred in responding to this RFP will be borne by the applicant.

***Optional attachments**, such as cost estimates, bids, architectural blueprints or photographs, may be included in the application where deemed appropriate. These additional materials should be limited to information highly relevant to the specific scope and purpose of the proposed project.

RFP Part 4: Application Guidance

Organization and Applicant Information

Basic information about the applicant entity is requested including legal and business name, address and tax identification information for contracting purposes.

Section 1. Project Information

This section requests summary information about the project including the request amount, the name of the program the grant funds are being requested and contact information.

Section 2. Narrative Guidance

The online application provides open fields for grant applications to respond to narrative questions about the project. Please provide concise and thorough responses to the questions outlined below.

Hospital Overview

Describe the hospital, the services it provides, the population it serves, and the hospital's service area. The hospital overview should also describe the age, size, available inpatient beds, configuration and condition of the hospital facilities and equipment, how many patients are served, capital improvement needs, distance to nearest tertiary care center, etc.

Problem Statement

Include information of the existing and/or unmet health care needs and changes in the service population and service area.

Clearly describe the nature of the problem(s) in the facility that will be addressed if this project is selected for funding. The problem statement should document changes in the hospital services, and/or the need to repair, replace or reconfigure facilities and equipment in response to current and anticipated changes in the hospital's operational environment.

Plans to Maintain/Operate Capital Improvement Project

This section provides an opportunity to discuss administrative, technical or staffing plans to maintain and operate specific pieces of equipment or structure as a result of the capital improvement project as well as the business plan to generate sufficient revenue for maintenance or operations. If you are proposing improvements throughout the hospital, discuss the business plan for the hospital as an institution.

Proposed Project's Alignment with Strategic Plan or Capital Improvement Plan

Please discuss how the proposed project aligns with the hospital's strategic plan or capital improvement plan. Demonstrate how the proposed project is consistent with the hospital's

strategic direction and flows from overall hospital planning. Document the priority of the proposed project within the current strategic or capital improvement plan.

If the proposed project is not a high priority in the strategic plan or capital improvement plan, please explain why there is a need for the project to be implemented now.

Proposed Project

Objectives and goals of the project

State the project objectives and goals. Goals are long-range benefits that are broad in scope. A goal statement describes what will exist if the stated problem(s) is/are solved. Objectives are statements of the short-term or intermediate-term outcomes related to the problem(s) the proposal is intended to address. Objectives are tangible, specific, measurable and achievable.

Project description

Describe what the project will address and the proposed improvements. If proposed improvements are for more than one hospital area or building (e.g., patient rooms, radiology and ER) or system (e.g., telephone, HVAC, data processing, EHR and lighting), describe each project component separately.

Construction, remodeling and equipment drawings or specifications

Provide as attachments (in the attachment section below), if available (these do not count toward the page limit). If not yet produced, note in this section and in the timeline when they will be completed.

Timeline

Provide a timeline for each project activity/task. The timeline should identify, in chart or table form, who will be involved in each task, and the estimated start and completion date for each task.

Roles of individuals involved in the proposed project

Identify key project staff and their respective roles in the narrative and provide their qualifications in the Key Personnel Biographical Sketch form.

Results expected from the project

Discuss the expected results in terms of the project's objectives.

Section 3: Hospital Financial and Census Information

Grant applications are requested to provide in the application form information about their organization's financial standing. Questions include:

- Current Days of Cash on Hand
- Current Operating Margin
- Current Total Margin
- Average Daily Census in the Last 12 Months

- Percent of Revenue from Outpatient Services
- What percent of the total hospital's revenue came from outpatient services in the last 12 months?
- Narrative - Hospital Financial and Census Information. Provide a brief narrative that gives context/explains the data supplied in the answers provided above about hospital financial and census information.

Section 4: Budget

The Budget in the online application includes two sections, Narrative and a Line item requests.

Budget Narrative Guidance

Please provide a budget narrative in the field provided that includes the following information:

- Identification and description of all sources of funding for the capital improvement project, including the non-state sources required for the match.
- Justification for each of the line items included in the project's budget. In addition to the rationale for each expense, please indicate how amounts were determined/calculated.
- Identification of consultants and contractors; if not selected at time of proposal's submission, please explain the selection process.
 - In addition to the Competitive Bidding Form, please provide evidence that competitive bidding was used to select project contractors. Attach specifications or bids to show the details.
 - If bids, drawings or specifications have not yet been produced, describe how costs were estimated.
- Explanation for any overhead expenses (allowed as match only); please identify the specific overhead expenses (e.g., hospital personnel, travel, supplies) and provide basis for how overhead costs were calculated.

Grant Budget Line Item Request

Grantees must outline their request in the following categories:

Budget Category	Amount of State Funds Requested	Amount of Matching Funds (funds from non-state sources)	Project Total (State funds plus match)
Acquisition			
Demolition			
Site Improvements			
Construction			
Contracted (ex. Engineer, Architect, Builder)			
Equipment			
Overhead (match only)			
Other (please describe):			
TOTAL:			

Section 5: Required Attachments

Key Personnel Biographical Sketch(es)

Please complete the Key Personnel Biographical Sketch Form for each key project staff person identified in the proposal narrative and attach to the online application form.

Competitive Bidding Form

Please complete the competitive bidding form and attach to the online application form. Minnesota Statutes, Section 144.148 requires applicants to submit evidence that competitive bidding was used to select contractors for the proposed project. Grantees are required to submit a scanned copy of the competitive bidding form signed by the Authorized Organization Representative (CEO or officer with legal authority to enter a contract).

If contractors have been identified at the time of proposal submission, please provide evidence that competitive bidding was used to select project contractors. Attach specifications or bids to show the details.

Construction, Remodeling and Equipment Drawings or Specifications

Provide as attachments, if available.

Governing Board Resolution

Please complete or replicate the Governing Board Resolution form and attach to the online application form. Grantees are required to submit a scanned copy of the Governing Board

Resolution signed by the Authorized Organization Representative (CEO or officer with legal authority to enter a contract) and a witness, typically a Board Chair or officer.

Audited Financial Statements

Please upload a scanned copy of the most recent independent audit to the online application form. If the audit encompasses multiple hospitals within a system/umbrella organization, please provide additional financial information, such as an income statement specific to the applicant hospital.

Due Diligence

Please complete the Due Diligence form and attach to the online application form.