

**2004 NCRR CONSTRUCTION  
GRANTS  
AWARD WORKSHOP**

**DIVISION OF RESEARCH  
INFRASTRUCTURE**

**July 13, 2004**

# **ROLE OF NCRR TECHNICAL STAFF WITH REGARD TO CONSTRUCTION GRANTS**

- Discuss technical design issues with potential grantees and provide information on resources for preparing a comprehensive application for research facilities.
- Conduct technical site visit.

# **ROLE OF NCRR TECHNICAL STAFF WITH REGARD TO CONSTRUCTION GRANTS(continued....)**

- Provide design documents, submitted by the grantees to the NIH technical review team at each phase of design
- Responsible for technical issues regarding the post-award process and activities.

# **ROLE OF NCRR TECHNICAL STAFF WITH REGARD TO CONSTRUCTION GRANTS(continued...)**

- **Acts as coordinator between review team and grantees.**
- **Provides assistance to the review team and designers on making final decisions on conflicting issues during the review process.**

## POST- AWARD PROCESS

- After the Notice of Grant Awards, the grantees will submit design documents (schematics, design development and final construction) to NCRR for review and approval.
- NIH technical review team will review documents and notify NCRR of the outcome of the review.

## **POST- AWARD PROCESS continued....**

- **NCCR program staff will notify grants management officer of the satisfactory completion of the submitted document by grantee to take proper action as required.**

## **POST-AWARD PROCESS continued....**

- Grants management specialist will revise the Notice of Grant Award (NOGA) and authorizes the grantee to enter the construction bid process after the final construction documents are approved by program staff.

## POST- AWARD PROCESS continued....

- Grantee must record the notice of federal interest (NFI) at the time construction begins and provide a copy to NCRR's GMO.
- Upon completion of the project and prior to occupancy, the grantee must purchase an insurance policy for NCRR's supported facility.



## **POST-AWARD PROCESS continued....**

- An authorized representative from the institution must notify the NCRR immediately upon completion of the construction project or occupancy.

## CONSTRUCTION CLOSEOUT PROCESS

- NCRR staff will conduct a construction close out site visit for the project to determine that all applicable administration actions, terms and conditions, and required work has been completed.
- Photographs of the areas supported under the award are provided to NCRR staff (NCRR staff may take photos during the site visit).

## Highlights From NIH Construction Grants Policy

- All construction work must be procured by the methods described in 45 CFR 74.40 through 74.48 or in 92.36, as applicable. Normally, this means a prime construction contract awarded following a competitive sealed bidding.
- Ensure that all qualified contractors are given an opportunity to bid and have their bids fairly considered.

## Highlights From NIH Construction Grants Policy Continued.....

- Construction management services are management services that may be procured on a negotiated basis rather than by sealed bidding. The award shall be based on a combination of both the technical and business evaluations. The basis of the award, i.e., whether cost or technical qualifications will weigh more heavily in the award decision, must be stated in the Request For Proposal (RFP).

## Highlights From NIH Construction Grants Policy Continued.....

- In design-build contracting, construction firms respond to an RFP by submitting building designs to meet the grantee's (owner's) performance requirements within a guaranteed maximum price that covers all architectural, engineering, and construction services required.
- On all design-build projects, the grantee (owner) must ensure a firm total cost by including in the contract a provision that extra costs resulting from errors or omissions in the drawings or estimates will be the design-build firm's responsibility.

# Highlights From NIH Construction Grants Policy Continued.....

- NIH construction grants are not subject to the requirements of the Davis-Bacon Act or the Copeland "Anti-Kickback" Act.
- Grantees (owners) must obtain written prior approval from the GMO for grantee-initiated changes in project or budget as follows:

# Highlights From NIH Construction Grants Policy Continued.....

- A revision that would result in a change in scope of the project, including proposed modifications which would materially alter the costs of the project, space utilization, or financial layout, and associated changes in the previously approved solicitation or contract.
- The request for approval shall include sufficient information to allow NIH review of the circumstances and need for the proposed change. After receipt of written prior approval from the GMO, the grantee may authorize the approved modification(s) of the construction contract.

## Highlights From NIH Construction Grants Policy Continued.....

- In order to protect the Federal interest in real property that has been constructed or has undergone major renovation with NIH grant funds, grantees shall record a lien or other related notice of record (**Notice of Federal Interest**) in the appropriate official records of the jurisdiction in which the property is located. The time of recordation shall be when construction or renovation begins. Fees charged for recording the Notice of Federal Interest may be charged to the grant



## Highlights From NIH Construction Grants Policy Continued.....

- upon completion of construction, grantees shall provide the same type of insurance coverage as they maintain for other property they own. "Completion of construction" means either the point at which the builder turns the facility over to the grantee (e.g., the date of the final acceptance of the building) or the date of beneficial occupancy, whichever comes first.

# Highlights From NIH Construction Grants Policy Continued.....

## Allowable Costs/Activities.

1. Physical characteristics of space, such as interior dimensions, surfaces, and finishes.
2. Acquisition and installation of fixed equipment.
3. Internal environment, such as heating, ventilation, humidity, and acoustics.
4. Utility services, such as plumbing, electricity, gas, vacuum, or other laboratory piping.

## Highlights From NIH Construction Grants Policy Continued.....

5. Completion of unfinished shell space to make it suitable for purposes other than human occupancy, such as the storage of pharmaceuticals.
6. Fixed equipment, such as casework, fume hoods, large autoclaves, or biological safety cabinets.
7. Architectural and engineering services.
8. Bid advertising.
9. Bid guarantees, performance and payment bonds.
10. Filing fees for recording the Notice of Federal Interest

# Highlights From NIH Construction Grants Policy Continued.....

11. **Contingency fund:** Applicants for construction grants may include a project contingency fund in initial cost estimates to provide for unanticipated charges. These funds will be limited to 5 percent of construction and equipment costs before bids are received and must be reduced to 2 percent after a construction contract has been awarded.

## Highlights From NIH Construction Grants Policy Continued.....

12. Inspection fees.
13. Insurance: Costs of title insurance, physical destruction insurance, and liability insurance are generally allowable.
14. Title insurance, if required.
15. Pre-award costs: Costs incurred before an award for architect's fees and consultant's fees necessary to the planning and design of the project are allowable if the project is subsequently approved and funded.

# Highlights From NIH Construction Grants Policy Continued.....

16. Project management.

17. Relocation expenses.

18. Sidewalks necessary for use of facility.

19. Site survey and soil investigation.

20. Site clearance (as long as reflected in  
bid).

## Highlights From NIH Construction Grants Policy (Continued.....)

When the grantee's own construction and maintenance staff are used in carrying out the A&R (i.e., force account), the associated costs are allowable provided the grantee can document that force account is less expensive than if the project were competitively bid, and all costs are substantiated by appropriate receipts for the purchase of materials and certified pay records for the labor involved.

# Highlights From NIH Construction Grants Policy (Continued.....)

## Unallowable Costs

1. Bonus payments to contractors, including guaranteed maximum price contractors.
2. Construction of shell space designed for completion at a future date.
3. Consultant fees not related to actual construction.
4. Damage judgment suits.
5. Equipment purchased through a conditional sales contract.
6. Fund-raising expenses.



# Highlights From NIH Construction Grants Policy (Continued.....)

7. Land acquisition.
8. Legal services not related to site acquisition.
9. Movable equipment.
10. Off-site improvements.

**For More information see “NIH  
Grants Policy Statement (03/01)**

**Part II: Terms and Conditions of NIH  
Grant Awards”**

**[http://grants1.nih.gov/grants/policy/nihgps\\_2001/part\\_iib\\_2.htm](http://grants1.nih.gov/grants/policy/nihgps_2001/part_iib_2.htm)**

# THE END

