

MEETING RECORD (DRAFT)

Perkins Eastman
Architects DPC

Date Prepared	3/9/2021	
Project Name	Illinois Veterans Home Quincy, new buildings and campus rehab	
Project Number	USDVA # 17-051; IL CDB #040-010-115, PE #77550.00	
Subject	Discussion around grant checklist requirements, Section B.7 forms, 180-day conditional review period. General progress discussion and expectations.	
Meeting Location	Virtual TEAMS	
Meeting Date	3/7/2022	
Prepared By	Ramu Ramachandran Perkins Eastman	r.ramachandran@perkinseastman.com
	T: 312-873-6262	F: Fax Number
Participants	USDVA-SVHCGP: -- Anna Gaug, Program Director -- Liz Yo, Architect, CFM and Illinois Grant Coordination IDVA: -- Gwen Diehl, Illinois SVH coordinator -- Connie Watson, IL Grants Administration CDB -- Chris MacGibbon, Project Manager Perkins Eastman: -- Ramu Ramachandran, Project Manager Bridging team for A/E	

1. Legend

- a. USDVA – United States Department of Veterans’ Affairs
- b. SVHCGP – USDVA’s State Veterans Homes Construction Grant Program
- c. CFM – USDVA’s Construction and Facilities Management team
- d. IDVA – Illinois Department of Veterans Affairs
- e. CDB – Illinois Capital Development Board
- f. PE – Perkins Eastman
- g. MOA – Memorandum of Agreement

2. General discussions

- a. Anna mentioned that Lisa Moore is on extended leave. USDVA remaining staff are managing a very high workload while at the same time looking for an interim or replacement grant manager for Illinois IVHQ and other projects in the program.

3. Status of Section A items of the grant submission checklist

- a. IDVA shared that the version of the checklist on max.gov appeared to not be current with latest round of approvals. Liz and Anna agreed that items were yet to be updated and has to be updated by Anna when time permits.
- b. Liz reviewed open line items in Section A and B and shared approval dates by looking at approval memos from CFM technical review staff. All items in Section A and in Section B (1 to 6) have been responded to and closed out (approved) successfully.
- c. A marked up version of the checklist **is attached.**
- d. The Conditional Award letter was dated Sep 30th, 2021. The 180 day period ends March 29, 2022.

- e. The Design-Builder (VUC) has submitted their 35% milestone document to the CDB. This replaces the Bridging Documents currently on file for Section B.4. This document was uploaded by IDVA during the week of March 2nd. It is currently under review by Liz and team.
- f. Liz was informed that the near 100% documents will be submitted within 2 weeks. They will be named “95%” documents due to CDB’s request to allow room for final CDB review input. Liz shared that that this “95%” title block terminology would be acceptable. Ramu appreciated that this would help keep documents coordinated.

4. Section B – budget submission pointers (Form 424C)

- a. Anna pointed to CFR 59.80 includes the regulations. “38 CFR § 59.80 - Amount of grant.” (Copy attached). The link below is from the Electronic Code of Federal Regulations (e-CFR) Title 38 - Pensions, Bonuses, and Veterans' Relief CHAPTER I - DEPARTMENT OF VETERANS AFFAIRS PART 59 - GRANTS TO STATES FOR CONSTRUCTION OR ACQUISITION OF STATE HOMES § 59.80 Amount of grant
- b. Link found at <https://www.ecfr.gov/current/title-38/part-59#59.80>
- c. Anna walked the attendees through the process of updating the budget sheet 424C and limits or restrictions on making revisions to the budget. She shared the following pointers.
- d. CHANGING THE BUDGET:
 - i. From this point in time forward, there are only two opportunities to change the budget request.
 - ii. BEFORE MOA APPROVAL:
 - 1. A one-time change possible to the bottom line of the project at this stage prior to the approval of the MOA. Changes to individual line items are not yet tracked at this stage.
 - iii. AFTER MOA APPROVAL:
 - 1. Once the MOA is approved, generally speaking, the program anticipates that there could be a 10% cost increase but it cannot award more than a 10% change.
 - iv. Once the MOA is approved, there are very strict limits on changes that are possible. Every line item of the budget sheet becomes rigid. No one lighter line item can change by more than 10% of its value on file between now and project close-out. Any line item currently at \$0.0 cannot be changed or increased.
 - v. USDVA typically sees a one-time budget adjustment closer to project close-out.
- e. AUDIT
 - i. Anna informed the team that it is nearly 100% sure that this project will be audited because of the size of the project (over \$100 million). She asked that CDB hold on to invoices and IDVA keep track of budgets carefully.
 - ii. Monthly draw request invoices have to be very carefully categorized according to the budgets on file.
- f. Form 424C for the IVHQ draft budget was reviewed in its marked up state.
 - i. ‘Admin and Legal fees’ are sometimes used by States for purchase of property
 - ii. ‘Miscellaneous’ line item will be disapproved, it is never used
 - iii. ‘Equipment’ is typically FF&E, IT movables, art, cutlery etc. at a maximum of 10% of Construction Cost. These are items not affixed to the building or otherwise not needing to be professionally installed.
 - iv. On the other hand, a commercial grade walk-in cooler might be considered a piece of equipment in the non-VA construction world, but because it is fixed to the building, it will be part of the construction cost from a USDVA standpoint.
 - v. Office supplies, soap, paper etc. will NOT be paid for from the reimbursement.
 - vi. ‘Contingencies’ are typically used to support any of the budget line items.
 - vii. Illinois DOIT (Department of Innovation and Technology) - Chris explain that DOIT is a state agency and will be paid by the CDB for labor and materials related to technology services on the project. Anna responded that USDVA funds cannot be used to pay another state agency or employee. However, if DOIT hires its own contractors to conduct its work, those can be supported by the funds. Chris noted that CDB will require DOIT to submit contractor invoices.

g. ITEMS NOT ALLOWED:

- i. 'NOT REIMBURSABLE / COLUMN B' - Items not reimbursable, but that are costs for the state, are to be moved to column B of the budget worksheet. Anna shared that a number of large projects from the states almost always include a number of un-allowed costs in column B.
- ii. 'DEMOLITION' – Demo of buildings on campus will be paid for only if they are directly under the footprint of new building construction. Demolition of buildings on the periphery of the work area will not be supported. For IVHQ project, Markword building demolition will need to be removed from the request. Demo needs to be inextricably linked to new construction.
- iii. 'LANDSCAPE' and campus green areas are only included if in the immediate vicinity of new construction and directly relatable to resident wellbeing and amenities (e.g., a Memory Care Garden Courtyard).
- iv. PERIMETER FENCING: perimeter security fencing. On the other hand, hardscape improvements relatable to a fire lane required to protect the new building will be allowed.

5. Next steps:

- a. USDVA'S Typical timeline after 180 day period submissions of Section B.7 are somewhere between 30 and 60 days for review of the package and notification to Congress.
- b. A number of parties need to review and approve including the Office of Budget, Intergovernmental Affairs, Office of the SVHCGP and their parent and parent's parent offices, and the under Secretary.
- c. In 2022, roughly about \$170 million dollars are available to be paid.

6. 180-DAY period

- a. A major portion of the YR 2022 spend for the SVHCGP is the IVHQ reconstruction project.
- b. Consequences of not meeting the 180 day deadline for the conditional award are severe on their end and for the state.
- c. If Illinois does not make the March 29th deadline, the funds that are held for the state will be relocated to other needs, and there is no guarantee that the project will be funded again.
- d. Every year the priority ranking of projects is changed and revised, and there is no guarantee that Illinois will be ranked in 2023 and even 2024. Cannot be even one day late.
- e. She also mentioned that in case the date was missed, the project will not be reconsidered in 2023.

cc: Participants

Attachments:

1. A marked up version of the USDVA Federal Reimbursement checklist
2. Part 59 – Grants to States for Construction or Acquisition of State Homes § 59.80 Amount of grant

Department of Veterans Affairs **CHECKLIST OF MAJOR REQUIREMENTS FOR STATE HOME CONSTRUCTION/ACQUISITION GRANTS**

LOCATION Quincy, IL		DESCRIPTION Renovation: Emergency Campus Reconstruction	
FAI NUMBER 17-051	DUNS 8068125820000	DATE AND TIME SUBMITTED Apr 12, 2018 04:33:46 PM EDT	VA COST 197,047,500.00

TO BE FILLED OUT BY VA

SECTION A - INITIAL APPLICATION PHASE

Deadline for the initial application is **April 15th** each year. Complete items A1-A6 for renovation projects OR Complete A1-A7 for life safety projects OR Complete A1-A13 for new construction and bed replacement projects.

REQUIREMENT	DATE
1. A. Project Scope (use SVHCGP template). Approved - June 17, 2021 (CFM/Technical team)	<input checked="" type="checkbox"/> resubmit
B. Form SF 424.	<input checked="" type="checkbox"/> 04/12/2018
C. Form SF 424D.	<input checked="" type="checkbox"/> 04/12/2018
D. Form SF 424C.	<input checked="" type="checkbox"/> 04/12/2018
E. Budget justification worksheet, tab 1 (supplements SF424C Form).	<input checked="" type="checkbox"/> 04/12/2018
2. Governor's designation of authorized state official and contact person <i>Erica Jeffries</i>	<input checked="" type="checkbox"/> 04/12/2018
3. Needs assessment (must comply with all of Section II, Item 3 Needs Assessment on Form 10-0388-1 Information should reflect most recent U.S. Census data.)	<input checked="" type="checkbox"/> 04/12/2018
4. State Clearinghouse Comments (E.O. 12372) single point of contact and compliance statement.	<input checked="" type="checkbox"/> 04/12/2018
5. Schematics for the proposed project. Approved June 21, 2021	<input checked="" type="checkbox"/> disapproved
6. Signed initial application certification (VA Form 10-0388-1).	<input checked="" type="checkbox"/> 04/12/2018
7. Safety citation/letter (submit only for projects that threaten the life and safety of residents).	<input checked="" type="checkbox"/> N/A
8. Space program analysis for nursing home domiciliary (VA Form 10-0388-3) or Approved July 1, 2021	<input checked="" type="checkbox"/> resubmit
9. Five-year capital plan for state's entire state home program.	<input checked="" type="checkbox"/> 04/12/2018
10. Financial plan for state facility's first three years of operation.	<input checked="" type="checkbox"/> 04/12/2018
11. Documentation that there is a reasonable basis to conclude that the facility when complete will be fully occupied.	<input checked="" type="checkbox"/> 04/12/2018
12. Authorized state official's certification of the total number of state-operated nursing home and domiciliary beds and occupancy rate.	<input checked="" type="checkbox"/> 04/12/2018
13. Authorized state official's certification that the number of state home beds does not exceed the requirement in 38 CFR 59.40 or justification for number of state home beds exceeding 38 CFR 59.40 based on travel distance.	<input checked="" type="checkbox"/> 04/12/2018

TO BE FILLED OUT BY VA

SECTION B - APPLICATION PHASE

REQUIREMENT	DATE
1. State matching funds are required by August 1st for consideration for priority group 1.	
A. State authorization for the project (copy of the legislation appropriating the funds or statement from state budget official outlining source of funding).	<input checked="" type="checkbox"/> 07/30/2019
B. Certificate of State matching funds (VA Form 10-0388-6).	<input checked="" type="checkbox"/> 07/30/2019

REGS - what is approved for reimbursement - <https://www.ecfr.gov/current/title-38/chapter-I/part-59>

REQUIREMENT	DATE
2. Environmental Review and NEPA Compliance	
A. Submit Phase I environmental site assessment (<i>ASTM E1527-13</i>) if conducting ground-disturbing activities or acquiring new site.	<input checked="" type="checkbox"/> 01/14/2020
B. Complete categorical exclusion (CatEx) form, if a CatEx applies. If potential extraordinary circumstances or activities with potential effects are indicated on CatEx form, Approved by JSturm July 27, 2021 compliance, and protective measures. Conduct environmental assessment if not covered by a CatEx.	<input checked="" type="checkbox"/> <i>disapproved</i>
3. Letter from state historical preservation officer.	<input checked="" type="checkbox"/> Approved by ABennett May 20, 2021 <i>under review</i>
4. Design development drawings and specifications (<i>35 percent</i>).	<input type="checkbox"/>
5. Required certifications from the authorizing state official is required for grant award:	
A. Compliance Regarding Debarment, Suspension, And Other Responsibility Matters For Primary Covered Transactions (<i>VA Form 10-0388-7</i>).	<input checked="" type="checkbox"/> 03/10/2021
B. Compliance with Drug-Free Workplace (<i>VA Form 10-0388-8</i>).	<input checked="" type="checkbox"/> 03/10/2021
C. Compliance with Lobbying Act (<i>VA Form 10-0388-9</i>).	<input checked="" type="checkbox"/> 03/10/2021
D. Compliance with The Davis-Bacon Act (<i>VA Form 10-0388-2</i>).	<input checked="" type="checkbox"/> 03/10/2021
6. Conditional Request Letter: If aforementioned requirements are met, and federal funds are available, then a request for conditional approval may be submitted to Received Letter of Conditional Award Sep 30, 2021 requirements within 180 days after the conditional award letter is signed.	<input type="checkbox"/>
7. The following items are needed for final award:	Confirm 180 day target Mar 29th 2022
A. Final drawings and specifications (<i>100 percent</i>)	In review at this time - will be uploaded within 2 wks (will be named 95% - acceptable)
B. Advertisement for Bids (if using CMAR, copy of selection process).	Design-build process - RFP will be uploaded - will send ahead of time
C. Final Budget Justification Worksheet, Tabs 1 and 2.	<input type="checkbox"/>
D. 1. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion From Contractor(s) (<i>VA Form 10-0388-12</i>).	<input checked="" type="checkbox"/> 03/10/2021
2. SAM Search Results.	<input type="checkbox"/>
E. 1. Final Budget Form SF 424C.	Question on timing of possible revisions Before MOA - max 10% bottomline change After MOA - one time max 10% bottom line change, but also each and every line item limited to max 10% change.
2. Final SF 424 Form.	
F. Certification of Compliance with Federal Regulations (<i>VA Form 10-0388-10</i>).	<input type="checkbox"/>
G. Reasonable assurance of title to State Home.	<input type="checkbox"/>
H. Signed Application Certification (<i>VA Form 10-0388-5</i>).	<input type="checkbox"/>
I. Three (3) signed copies of Memorandum of Agreement. (<i>delivered by Overnight Mail</i>)	Template from max.gov?

TO BE FILLED OUT BY VA

SECTION C - POST GRANT AWARD (*Required for Grant Closeout*)

REQUIREMENT	DATE
1. Closeout request letter (<i>submitted when construction is 90% completed</i>).	<input type="checkbox"/>
2. Final Project Photos.	<input type="checkbox"/>
3. Equipment list (<i>if applicable</i>).	<input type="checkbox"/>
4. Signed Post-Grant Requirements Certification (<i>VA Form 10-0388-13</i>).	<input type="checkbox"/>
5. Copy of letter to state auditor.	<input type="checkbox"/>
6. Final Payment Request (<i>VA Form SF271</i>).	<input type="checkbox"/>
7. Report of audit findings (<i>report must show compliance with Single Audit Act of 1984 and, if applicable, resolution of audit findings</i>).	<input type="checkbox"/>
8. Proof of compliance with NHPA Section 106 (<i>if applicable</i>).	<input type="checkbox"/>
9. Proof of compliance with NEPA mitigation measures (<i>if applicable</i>).	<input type="checkbox"/>

Submit all documentation on MAX.gov except for hard copy MOAs.

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Displaying title 38, up to date as of 3/07/2022. Title 38 was last amended 3/04/2022.

Title 38 - Pensions, Bonuses, and Veterans' Relief

Chapter I - Department of Veterans Affairs

Part 59 - Grants to States for Construction or Acquisition of State Homes

§ 59.80 Amount of grant.

- (a) The total cost of a project (VA and State) for which a grant is awarded under this part may not be less than \$400,000 and, except as provided in paragraph (i) of this section, the total cost of a project will not exceed the total cost of new construction. The amount of a grant awarded under this part will be the amount requested by the State and approved in accordance with this part, not to exceed 65 percent of the total cost of the project except that:
 - (1) The total cost of a project will not include the cost of space that exceeds the maximum allowable space specified in this part, and
 - (2) The amount of the grant may be less than 65 percent of the total cost of the project if the State accepts less because VA did not have sufficient funds to award the full amount of the grant requested.
- (b) The total cost of a project under this part for acquisition of a facility may also include construction costs.
- (c) The total cost of a project under this part will not include any costs incurred before the date VA sent the State written notification that the application in § 59.20 was approved.
- (d) The total cost of a project under this part may include administration and production costs, e.g., architectural and engineering fees, inspection fees, and printing and advertising costs.
- (e) The total cost of a project under this part may include the cost of projects on the grounds of the facility, e.g., parking lots, landscaping, sidewalks, streets, and storm sewers, only if they are inextricably involved with the construction of the project.
- (f) The total cost of a project under this part may include the cost of equipment necessary for the operation of the State home facility. This may include the cost of:
 - (1) Fixed equipment included in the construction or acquisition contract. Fixed equipment must be permanently affixed to the building or connected to the heating, ventilating, air conditioning, or other service distributed through the building via ducts, pipes, wires, or other connecting device. Fixed equipment must be installed during construction. Examples of fixed equipment include kitchen and intercommunication equipment, built-in cabinets, and cubicle curtain rods; and
 - (2) Other equipment not included in the construction contract constituting no more than 10 percent of the total construction contract cost of the project. Other equipment includes: furniture, furnishings, wheeled equipment, kitchen utensils, linens, draperies, blinds, electric clocks, pictures and trash cans.
- (g) The contingency allowance may not exceed five percent of the total cost of the project for new construction or eight percent for renovation projects.
- (h) The total cost of a project under this part may not include the cost of:
 - (1) Land acquisition;
 - (2) Maintenance or repair work; or
 - (3) Office supplies or consumable goods (such as food, drugs, medical dressings, paper, printed forms, and soap) which are routinely used in a State home.
- (i) A grant for expansion, remodeling, or alteration of an existing State home, which is on or eligible for inclusion in the National Register of Historic Places, for furnishing domiciliary, nursing home, or adult day health care to veterans may not be awarded for the expansion, remodeling, or alteration of such building if such action does not comply with National Historic Preservation Act procedures or if the total cost of remodeling, renovating, or adapting such building or facility exceeds the cost of comparable new construction by more than five percent. If demolition of an existing building or facility on, or eligible for inclusion in, the National Register of Historic Places is deemed necessary and such demolition action is taken in compliance with National Historic Preservation Act procedures, any mitigation cost negotiated in the compliance

process and/or the cost to professionally record the building or facility in the Historic American Buildings Survey (HABS), plus the total cost for demolition and site restoration, shall be included by the State in calculating the total cost of new construction.

- (j) The cost of demolition of a building cannot be included in the total cost of construction unless the proposed construction is in the same location as the building to be demolished or unless the demolition is inextricably linked to the design of the construction project.
- (k) With respect to the final award of a conditionally-approved grant, the Secretary may not award a grant for an amount that is 10 percent more than the amount conditionally-approved.

(Authority: 38 U.S.C. 101, 501, 1710, 1742, 8105, 8131-8137)