



ADDENDUM #1

June 25, 2021

TO: ALL POTENTIAL BIDDERS

FROM: RON VENTURELLA, BUNCOMBE COUNTY PROCUREMENT MANAGER

SUBJECT: ADDENDUM #1 FOR RFP CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

The following changes, revisions, additions, and/or clarifications to the plans and/or specifications are hereby made a part of the original documents.

Addendum # 1

Please reference the guidance provided by the U.S. Department of Treasury for questions specific to eligible use of funds and additional information about the Coronavirus State and Local Fiscal Recovery Funds: <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

The following questions were asked by potential bidders (listed in no particular order):

Question: Can organizations submit more than one application for multiple projects or different programs? If we are only allowed to submit one application, would it be okay to combine multiple projects into one proposal?

Answer: An organization may only submit one proposal (as a lead applicant). However, multiple projects may be included in the same proposal as long as the different components can be tied together in relationship with the overarching funding request and this can be conveyed in the project description portion of the RFP.

Question: If an organization agrees to be a fiscal sponsor for another organization, does that still mean there can only be one proposal per organization? Or could the organization be a primary applicant and also a fiscal sponsor for another organization?

Answer: Applications submitted by an organization acting as a fiscal agent/sponsor on behalf of another organization will be treated as a lead applicant and may not apply for a separate project or proposal as a lead applicant.

Question: May an organization apply as the lead on a project application and as a collaborator on another organization's application?

Answer: Yes. Organizations can only submit one proposal as a lead applicant, but they may be included as a collaborator on other proposals.

Question: Are only lead entity proposers/organizations that are based in Buncombe County eligible to submit proposals?

Answer: Yes. Lead applicants' principle place of business must be located in Buncombe County. However, we are open to collaborative regional projects as long as there is a clear component of the project in and for Buncombe County.

Question: Will there be more than one RFP released? If you are declined for the first process, is there a possibility to apply again?

Answer: We currently do not have a definitive answer regarding a second RFP process due to the unknown needs in Buncombe County, additional funding sources becoming available, and upcoming service opportunities. At this point, the County might release another RFP, which could be open or tailored. In this instance, organizations that do not receive initial awards from the first round of funding will not necessarily have to re-apply, as the County has the intention to remain in communication with such organizations to work with them if there is another round of funding being dispersed.

Question: If you are declined for the first process, is there a possibility to apply again?

Answer: Yes. Every RFP and grant process that Buncombe County operates stands alone, meaning organizations are welcome to apply for any individual grant or competitive bidding process.

Question: As the County is considering having more than one grant process, do you have guidance on whether to submit a 5-year application (which is hard to predict) or shorter timeframe?

Answer: The County is not in a position to determine what is best for each organization regarding project proposals. We encourage organizations to consider priority areas and viability of projects that will best respond to recovery needs.

Question: Could these funds be awarded through extension of an existing contract with the county? Can an organization increase a request for funds that was previously made to the County?

Answer: Proposals are not required to be new projects, however, if an organization is already working with the County on a project, in order to request additional funding, there needs to be an expansion of the work or services.

Question: If subcontractors have not yet been identified, would describing the process for subcontractor vetting, responsibilities, and subcontracting requirements be adequate?

Answer: Yes. Please include any applicable information about the subcontracting process that could be useful in reviewing a project proposal. Additionally, if subcontractors have already been identified for specific projects, please communicate this in your proposal.

Question: Could projects be funded at a lower amount than what an organization requests?

Answer: Possibly. This is dependent on the proposals we receive and the amount of funds that the Board of Commissioners budget per category. In the case of a partial award, Buncombe County will work with the organization to determine if the proposed project is feasible and what changes would need to be made to match the amount of funding being offered.

Question: Are you interested in working collaboratively with the city COVID funds in a large project such as a high access shelter?

Answer: We are interested in working collaboratively with other partners including local governments that also have access to this funding. Public organizations are eligible for submitting proposals along with community partners, which provides potential for collaborative projects across the public sector in Buncombe County. This could very well include affordable housing and shelter needs.

Question: What are QCTs and how can I learn about this?

Answer: QCT's are Qualified Census Tracts identified by U.S. Housing and Urban Development (HUD). Some detail on QCT's can be found here: <https://www.huduser.gov/portal/datasets/qct.html>

Question: There is a reference to "attachments of this RFP" – are there forms that should be submitted that require authorized signatures?

Answer: The only required attachment is the budget form, which does not require an authorized signature.

Question: How can we show the fact that we address four to six of these areas identified and what is the appropriate level of ask so as not to negatively affect our score?

Answer: We are asking all proposals to identify an eligible category. The County will be using this information to sort the proposals. Even if you address more than one eligible category, it is necessary to pick just one to apply under. You may use the other response fields, such as the "Results" section to explain additional impact.

Question: Are start-up non-profits eligible?

Answer: An eligible nonprofit applicant is an organization that is exempt from Federal income taxation and that is described in section 501(c)(3) of the Internal Revenue Code. If the applicant does not currently meet these requirements, they would need to designate a fiscal agent to apply on their behalf.

Question: Do populations served need to be specific and exclusive to Buncombe County residents, or are regional projects able to apply for these funds?

Answer: Regional projects are eligible, however, the County will only make awards to organizations based in Buncombe County and that will provide assistance to Buncombe County residents as part of their proposed project/program. If a proposed project/program by a Buncombe County organization would only benefit non-Buncombe County residents, it would not be considered for award.

Question: To be clear, this opportunity is for nonprofits and public organizations only, not private businesses, correct? That is, a single farm business could not apply directly, correct?

Answer: That is correct.

Question: Do project partners or subcontractors need to be not for profit orgs?

Answer: Not necessarily, but only nonprofits are eligible to submit applications. Capital projects that would utilize private contractors would need to go through a procurement process to identify the contractor.

Question: Are for-profit businesses eligible? If not, are fiscal sponsorships an option for us? We are interested in grants for small business grants.

Answer: For-profit businesses are not eligible to directly apply for funding. An eligible nonprofit could act as a fiscal agent for a for-profit business. Grants to small businesses are an eligible activity per U.S. Treasury guidance as long as it meets all other requirements of the funding.

Question: Can you talk more about the bullet “small business and nonprofit support?” Any more detail?

Answer: Assistance to small business and nonprofits includes, but is not limited to:

- Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs;
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions, or COVID-19 vaccination, testing, or contact tracing programs; and
- Technical assistance, counseling, or other services to assist with business planning needs

Question: Is back rent an eligible expense for nonprofits?

Answer: According to the U.S. Treasury, an organization may use SLFRF funds for eligible expenses incurred on or after March 3, 2021. Assistance to small businesses and nonprofits includes, but is not limited to:

- Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure, for example by supporting payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs.

Question: Is agriculture covered, such as assistance to small family farms impacted by COVID-19?

Answer: Farms and/or agriculture are not explicitly listed in the guidance from the U.S. Treasury, however, a small family farm may meet the definition of a small business impacted by COVID-19.

Question: Within the RFP's Eligibility Category “Services for disproportionately impacted communities,” what criteria will be used to determine whether services provided are to “other households, businesses or populations disproportionately impacted by the COVID-19 public health emergency”?

Answer: In the proposal, applicants are asked to provide a statement of need, define the population served, and identify a harm resulting from or exacerbated by COVID-19. This information will be used to evaluate disproportionate impact.

Question: Would new construction that meets the County's definition of affordable housing (80% AMI and below) be an eligible use of these funds, even if the development is not located in a QCT?

Answer: Yes, new construction of affordable housing is eligible whether or not it occurs in a QCT, however, when a project is proposed outside of a QCT the applicant “should be able to support their determination that the pandemic resulted in disproportionate public health or economic outcomes to the specific populations, households, or geographic areas to be served.”

Question: Would seeding a scholarship program be allowable with this money?

Answer: The Treasury guidance does not specifically address scholarships, but it may be deemed eligible if a clear connection is made “to the economic or financial harms resulting from and or exacerbated by the public health emergency”.

Question: Could funds for a mental health nonprofit be used to pay for therapist salary? Or must it be used for a new initiative or project?

Answer: The proposed project/program does not need to be a new initiative or project; however, the need must tie to COVID and the County encourages applications to take into consideration that these are one-time monies and should primarily be used for one-time expenses as opposed to recurring expenses.

Question: Is assistant (RFP Recovery Funds) for black citizens wanting to purchase property for ownership is an option?

Answer: The Treasury guidance does not specifically list home ownership assistance as an eligible activity. Eligible housing activities listed include:

- Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals;
- Affordable housing development to increase supply of affordable and high-quality living units; and
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.

Question: We understood that some of this funding was considered to be a "VOCA fix" for addressing the diminished federal VOCA federal funds until VOCA can be replenished in 3 -5 years. Can a "one - time" project be serving crime victims over three years?"

Answer: The Treasury guidance does not link Local Fiscal Recovery Funds to VOCA funds however, it does list "evidence-based community violence intervention programs to prevent violence and mitigate the increase in violence during the pandemic" as an eligible activity. Yes, an application may be for a multi-year program and span a multiyear period as long as funds will be spent by December 31, 2026.

Question: Is the RFP open to early childhood education initiatives in regards to employee retention dollars, equipment and materials, transportation upgrades, and capital outlays for slot expansion?

Answer: Treasury Guidance lists the following eligible activities to address educational disparities:

- New, expanded, or enhanced early learning services, including pre-kindergarten, Head Start, or partnerships between pre-kindergarten programs and local education authorities, or administration of those services;
- Providing assistance to high-poverty school districts to advance equitable funding across districts and geographies;
- Evidence-based educational services and practices to address the academic needs of students, including tutoring, summer, afterschool, and other extended learning and enrichment programs;
- Evidence-based practices to address the social, emotional, and mental health needs of students; and
- New or expanded high-quality childcare.

Question: Would creating a publicly-accessible nature reserve in an area where such natural environments are lacking provide sufficient connection to COVID, considering clean-air, storm water mitigation, and outdoor activity benefits?

Answer: The Treasury guidance does not speak to the eligibility of this activity. For environmental projects, proposals could be eligible if they qualify through the Environment Protection Agency's (EPA) Clean Water State Revolving Fund and Drinking Water State Revolving Fund.

Question: Would a purchase of a vehicle be allowable?

Answer: Purchase of vehicles is not explicitly listed in guidance from the U.S. Treasury, however, as part of an eligible project/program it may make sense that a vehicle is needed and therefore be awarded.

Question: Will vendors that work with community providers be able to apply for support to provide housing funds for the community we serve?

Answer: Recovery/Transitional housing is not explicitly listed as eligible. Examples of allowable projects regarding housing activities listed in the Treasury Guidance are:

- Services to address homelessness such as supportive housing, and to improve access to stable, affordable housing among unhoused individuals;
- Affordable housing development to increase supply of affordable and high-quality living units; and
- Housing vouchers, residential counseling, or housing navigation assistance to facilitate household moves to neighborhoods with high levels of economic opportunity and mobility for low-income residents, to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity.

Question: Can you talk about the timeline for projects? For example, would a 48-month project that ended by December 2026 be appropriate or are you looking for shorter-term projects?

Answer: Buncombe County is aligning with current guidance from the U.S. Treasury that states all funds must be obligated by December 31, 2024 and all work must be complete by December 31, 2026. At this time, there is no preference for shorter-term projects.

Question: Can the timeline for proposals from this initial RFP extend through 2026, or is there a different timeline expected?

Answer: Funding is only eligible to be incurred and obligated through December 31, 2024. Projects must be fully spent and completed by December 31, 2026.

Question: Do funds have to be spent within a 1-year period, or can the scope of your project span multiple years?

Answer: Buncombe County recognizes that some projects may be large in scope, and thus projects may span multiple years.

Question: Can you clarify the spending deadline for grants that are awarded in the first round?

Answer: All projects must be incurred and obligated by December 31, 2024. All expenses must be paid and all work must be complete by December 31, 2026.

Question: Can you speak to the requirement to include costs incurred no earlier than March 3, 2021?

Answer: Per U.S. Treasury guidance, the covered period for this Federal award begins March 3, 2021 and ends December 31, 2024. Very few exceptions exist as eligible outside of this window. See the Treasury's Interim Final Rule for details, specifically the sections on Premium Pay, Revenue Loss, Investments in Water, Sewer and Broadband projects, and Assistance to Households. Page 5 of the U.S. Treasury's Reporting and Compliance Guidance summarizes these exceptions quite well.

Question: What is the process for disbursement after a successful award? Will funds be disbursed in advance of a project or on a reimbursement basis? How long will it take?

Answer: We are hoping to structure the awarding of funds on a reimbursable basis, similarly to how we handled Sub-recipient Coronavirus Relief Fund (CRF) awards. With the CRF, reimbursement requests were submitted to the county and vetted by County Staff. Sub-recipients were then notified within thirty (30) days of their request. Payments for approved requests were then made within thirty (30) days of approval. However Buncombe County does have flexibility in negotiating payment terms on a case-by-case basis during contract negotiation.

Question: Could the funds be used to acquire property provided that the purpose of the acquisition meets the criteria you outlined?

Answer: Capital purchases must align with allowable expense categories for the State and Local Fiscal Recovery Funds. Capital expenditures would need to be evaluated on a case by case basis. See the Treasury's Interim Final Rule for specific examples, which at this time are few. For a quick example, the latest Frequently Asked Questions released by the U.S. Treasury states, "Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics."

Question: What is the opportunity for capital campaigns, especially those that cover multiple categories? Is there a determined balance of funding being spent on these types of projects as compared to services? Finally, can a proposal both fund a capital campaign as well as programs offered through the completion of the capital campaign?

Answer: Proposals will be evaluated based on the criteria listed in the RFP. Your proposal should include total amount and purpose. At this time, there is no weight towards type of expense (e.g. capital vs service).

Question: For capital projects, what is your criteria for readiness & viability?

Answer: As of this moment, the U.S. Treasury hasn't released guidance that speaks to capital project readiness & viability. From Buncombe County's perspective, we want to ensure that a) the project meets the eligibility criteria as outlined by the U.S. Treasury and b) the project is finished within the timeline listed in the RFP. Proposals should include a project plan to demonstrate the project can be completed by these dates.

Question: Are there salary restrictions, for example a percentage of the total requested funds?

Answer: We must follow the guidance included in the U.S. Treasury Interim Final Rule. The Interim Final Rule states, "...the Fiscal Recovery Funds may be used for payroll and covered benefits expenses for public safety, public health, health care, human services, and similar employees, to the extent that their services are devoted to mitigating or responding to the COVID-19 public health emergency."

Question: Can admin/overhead be included in the budget/Are indirect expenses allowable? Is there an allowable admin/overhead percentage to be aware of? Is it possible to include indirect costs on a percentage basis in the proposal? For example, 10% of project costs...

Answer: On June 17, 2021 the U.S. Treasury released their Compliance and Reporting Guidance, which states, "Recipients may use funds for administering the SLFRF program, including costs of consultants to

support effective management and oversight, including consultation for ensuring compliance with legal, regulatory, and other requirements. Further, costs must be reasonable and allocable as outlined in 2 CFR 200.404 and 2 CFR 200.405. Pursuant to the SLFRF Award Terms and Conditions, recipients are permitted to charge both direct and indirect costs to their SLFRF award as administrative costs. Direct costs are those that are identified specifically as costs of implementing the SLFRF program objectives, such as contract support, materials, and supplies for a project. Indirect costs are general overhead costs of an organization where a portion of such costs are allocable to the SLFRF award such as the cost of facilities or administrative functions like a director's office. Each category of cost should be treated consistently in like circumstances as direct or indirect, and recipients may not charge the same administrative costs to both direct and indirect cost categories, or to other programs. If a recipient has a current Negotiated Indirect Costs Rate Agreement (NICRA) established with a Federal cognizant agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals, then the recipient may use its current NICRA. Alternatively, if the recipient does not have a NICRA, the recipient may elect to use the de minimis rate of 10 percent of the modified total direct costs pursuant to 2 CFR 200.414(f)."

Question: Does capacity building (specifically onboarding contractors as salaried w benefits staff) for an existing program fall under the criteria of this allocation?

Answer: Simply building capacity for nonprofits is not specifically listed an eligible expense. There must be a tie to COVID-19 as outlined in the U.S. Treasury's Interim Final Rule. The existing program would need to be approved through the RFP process and your proposal must demonstrate that the program meets all criteria detailed in the RFP document. You should include the needed increased capacity as part of your proposal so that the review team can assess total cost.

Question: Can we be explicit about what equity means in regard to the guidance and in the RFP? I don't think we should assume everyone has the same definition.

Answer: "Targeting relief is in line with Executive Order 13985 On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, which laid out an Administration-wide priority to support "equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality." Executive Order on Advancing Racial Equity and Support for Underserved Communities through the Federal Government (Jan. 20, 2021), <https://www.whitehouse.gov/briefing-room/presidentialactions/2021/01/20/executive-order-advancing-racial-equity-and-support-for-underserved-communitiesthrough-the-federal-government/>

END OF ADDENDUM #1

RFP CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS