

MARYLAND DEPARTMENT OF HEALTH
CAPITAL PROJECTS GRANT AGREEMENT

This Grant Agreement (“**Agreement**”) is entered into this _____ day of _____, 20____, by and between the Maryland Department of Health (the “**State**”), acting through the Board of Public Works (the “**BPW**”), and _____ (“**Grantee**”), with a principal _____ place of business located at _____, federal taxpayer identification number _____.

Recitals

- A. Grantee has requested grant assistance from the State and completed the Maryland Department of Health’s Capital Grant Application (hereinafter referred to as “**Application**”).
- B. Grantee’s Application dated _____ is hereby incorporated and made a part hereof.
- C. Grantee has certified that all the information provided in the Application is true and accurate, that the facility will be used for the purpose and terms set forth in the Application, and that Grantee shall comply with applicable laws and regulations that govern the use of the State General Obligation Fund.
- D. On _____, 20____, the General Assembly approved the appropriation authorizing this Grant (the “**Grant**”) to Grantee.
- E. The Grant and Grantee’s performance are subject to applicable statutes and regulations, and the terms and purposes outlined in this Agreement.

Now, therefore, the State and Grantee agree as follows:

- 1. Purpose. Grantee may use Grant funds for the following purpose only (the “**Project**”):

_____.
- 2. Grant. The General Assembly’s appropriation is subject to approval by the BPW. After the BPW approves the Grant, the State shall periodically provide Grant funds to Grantee not to exceed the lesser of: \$ _____ or _____ % of the eligible Project costs, subject to the terms and conditions set forth herein.
- 3. Termination or Reduction of Authorization. The BPW, in its sole discretion, may reduce or terminate the authorization to provide Grant funds in the event: (a) Grantee fails to provide evidence of the required matching funds within two (2) years of the date of the Grant; (b) no part of the Project is under contract within seven (7) years of the date of the Grant; or (c) the Project is abandoned. Under Maryland Annotated Code, State Finance

and Procurement Article §8-128, authorization automatically terminates for any Grant funds that are unexpended or unencumbered within seven (7) years of the date of the Grant.

4. Matching Fund. Grantee agrees to provide matching funds in an amount of _____% of actual eligible Project [costs. Grantee must provide proof of and expend the matching funds prior to disbursement of Grant funds. Failure to prove and expend the required matching funds may affect the authorization pursuant to Paragraph 3 of this Agreement. The source of the Grantee's matching funds cannot be funds provided by the State.
5. Disbursement of Grant. Prior to disbursement of Grant funds, Grantee agrees, as required, to execute and record a notice of the State's Right of Recovery, in the land records of the county or Baltimore City in which the property is located. Subject to the availability of funds, the BPW may periodically authorize payment of Grant funds to, or on behalf of, Grantee in amounts not to exceed the Grant.
6. Limitations on Use. The BPW or its designee may, in its sole discretion, disapprove requests for disbursement or expenditure of Grant funds that are not consistent with or are not specifically related to the Project purpose or this Agreement generally.
7. Term. This Agreement terminates if the BPW terminates the grant authorization under Paragraph 3 without issuing bonds. Otherwise, this Agreement is in effect so long as any State general obligation bonds issued, sold, and delivered to provide funds for this Grant, remain outstanding, or for such a longer period as the parties may agree.
8. Payment Procedure. Payment procedures contained in the most recent edition of Maryland Capital Grants Projects: Information for State of Maryland Capital Grant Recipients [https://dgs.maryland.gov/Documents/grants/CGL_Booklet.pdf] are incorporated herein by reference. The State shall make payment to Grantee in accordance with those procedures and any other terms and conditions as the BPW, in its sole discretion, may impose.
9. Reports.
 - a. Maryland Annotated Code, State Finance and Procurement Article, § 7-402 requires Grantee to submit a verified report that fully and accurately accounts for appropriate Grant expenditures. Requests for payment made in accordance with Paragraph 8 of this Agreement are deemed to comply with § 7-402.
 - b. Grantee shall submit other reports or information as the State may periodically require, including Project status reports and certified audit reports.
10. Communications. Communications must be addressed as follows:

To the State:

Grant Administrator
Office of Facilities Management and Development
201 W. Preston Street, Room 538F
Baltimore, Maryland 21201

To the Grantee:

11. Default. A default is Grantee's breach of any of the covenants, agreements, or certifications contained in this Agreement.

12. Remedies Upon Default.

- a. Upon the occurrence of any default, the State, as the BPW in its sole discretion determines, may do one or more of the following:
 - i. Require Grantee to repay the Grant, in whole or in part;
 - ii. Recoup the amount of the Grant already paid from funds due the Grantee from any other current or future State grant or loan or any other funds, otherwise due and owing Grantee;
 - iii. Withhold further payments under this Agreement; and/or
 - iv. Terminate this Agreement.
- b. In addition to the rights and remedies contained in this Agreement, the State may at any time proceed to protect and enforce all rights available to it. All rights and remedies survive the termination of this Agreement.

13. Disposition of Property. Grantee may not sell, lease, exchange, give away, or otherwise transfer or dispose of any interest in real or personal property acquired, constructed or improved with Grant funds (the “**Grant-Funded Property**”) unless the BPW gives prior written consent. This includes transfer or disposition to a successor on the merger, dissolution, or other termination of the existence of Grantee. Grantee shall give the BPW written notice at least 120 days before any proposed transfer or disposition. If the BPW permits transfer or disposition, Grantee may be required to repay the State that percentage of the proceeds allocable to the Grant that was used to acquire, construct or improve the Grant-Funded Property, as the BPW determines in its sole discretion.

14. Inspection and Retention of Records. Grantee shall permit any duly authorized representative of the State to inspect and audit all records and documents of Grantee relating to this Grant. Grantee shall retain such records for at least three (3) years after this Agreement terminates.

15. Insurance.

- a. For any item of Grant-Funded Property that has an original fair market value of \$5,000 or more, Grantee shall, at its own expense and for the reasonable useful life of that item, obtain and maintain all risk or fire and extended coverage insurance or such similar insurance coverage as may be appropriate for the full value of the item or in amounts as may be commercially reasonable under the circumstances. Grantee's insurer must be authorized to issue the policy in the State. Each such policy shall by its terms:
 - i. Name State and the Maryland Department of Health as an additional loss payee thereunder.
 - ii. Be considered primary and noncontributory with respect to any other insurance, if any, provided by the State.
 - iii. Be cancelable only on at least 45 days written notice to Grantee and to the BPW or its designee.
- b. On request, Grantee shall provide the BPW or its designee with satisfactory evidence of insurance.
- c. Proceeds of insurance required by this Paragraph may be applied as the BPW, in its sole discretion, shall determine toward replacement of Grant-Funded Property or toward repayment of the Grant to the State.
- d. The BPW or its designee in its sole discretion may determine that Grantee may self-insure Grant-Funded Property if Grantee has adequate financial resources.

16. Indemnification. Grantee is responsible for, and shall defend, indemnify, and hold harmless the State, its officers, agents, and employees, whether or not the State be deemed to be contributorily negligent, from all suits, actions, liability, or claims of liability (including reasonable attorneys' fees) arising out of:

- a. The Project, including its construction;
- b. Grantee's use, occupancy, conduct, operation, or management of the Project;
- c. Any negligent, intentionally tortious, or other act or omission of Grantee or any of its agents, contractors, servants, employees, subtenants, licensees, or invitees in connection with the Project; and
- d. Any injury to or death of any person or damage to any property occurring in, on, or as a direct or indirect result of the Project or any of Grantee's activities in connection therewith.

17. Registration. The Grantee is and shall remain a non-profit organization registered with the Maryland Department of Assessment and Taxation in accordance with Maryland Annotated Code, Business Regulation Article, and is and shall remain in good standing and has and shall continue to file all of its required reports with the Maryland Secretary of State.

Check if YES _____

Check if NOT APPLICABLE _____ and explain:

18. Commercial and Employment Nondiscrimination. Grantee shall:

- a. Not discriminate in the selection, hiring, or treatment of any employee, employment applicant, vendor, supplier, subcontractor, or commercial customer on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, gender identity or on the basis of disability or any other unlawful use of characteristics unrelated to performance.
- b. Include a clause similar to sub-paragraph (a) in any contract under this Grant.
- c. Post, and cause contractors to post, in conspicuous places notices setting forth the nondiscrimination policy.

19. Drug and Alcohol Policy. Grantee certifies that it shall make a good faith effort to eliminate illegal drug use and alcohol and drug abuse from its workplace. Specifically, Grantee shall:

- a. Prohibit the unlawful manufacture, distribution, dispensation, possession, or use of drugs in its workplace.
- b. Prohibit its employees from working under the influence of alcohol or drugs.
- c. Not hire or assign to work on an activity funded in whole or part with State funds, anyone whom it knows, or in the exercise of due diligence should know, currently abuses alcohol or drugs, and is not actively engaged in a bona fide rehabilitation program.
- d. Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if it or its employee has observed the violation or otherwise has reliable information that a violation has occurred.
- e. Notify employees that drugs and alcohol abuse are banned in the workplace, impose sanctions on employees who abuse drugs and alcohol in the workplace, and institute steps to maintain a drug-free and alcohol-free workplace.

20. Compliance with Applicable Law. Grantee hereby represents and warrants that it:

- a. Is qualified to do business in the State of Maryland and that it will take such action as, from time-to-time hereafter, may be necessary to remain so qualified, and remain in good standing;
 - b. Is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the Grant term;
 - c. Shall comply with all Federal, State, and local laws, regulations, and ordinances applicable to its activities and obligations under this Grant.
 - d. Shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Grant.
21. Non-Debarment. Neither Grantee nor any of its officers, directors, or any of its employees directly involved in obtaining or performing grants or contracts with public bodies has:
- a. Been convicted of bribery, attempted bribery, or conspiracy to bribe in violation of any state or federal law.
 - b. Been convicted under any state or federal statute of any offense enumerated in Maryland Annotated Code, State Finance and Procurement Article, § 16-203.
 - c. Been found civilly liable under any state or federal antitrust statute as provided in Maryland Annotated Code, State Finance and Procurement Article, § 16-203.
22. Non-Collusion. The Grantee hereby represents and warrants that neither the Grantee nor any of its officers, directors, or any of its employees directly involved in obtaining or performing grants or contracts with public bodies has:
- a. Agreed, conspired, connived, or colluded to produce a deceptive show of competition in obtaining or performing this Grant.
 - b. In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of any bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with this Grant.
23. Financial Disclosure. Grantee is aware of, and will comply with Maryland Annotated Code, State Finance and Procurement Article, § 13-221, which requires that every business that enters into contracts, leases, or other agreements with the State or its agencies during a calendar year under which the business is to receive in the aggregate \$200,000 or more shall, within 30 days of the time when the aggregate value of the contracts, leases or other agreements reaches \$200,000, file with the Maryland Secretary of State certain specified information to include disclosure of beneficial ownership of the business.

- 24. Political Contributions. Grantee is aware of, and will comply with Maryland Annotated Code, Election Article, §§14-101 through 14-104, which requires that every person that enters into contracts, leases, or other agreements with the State, including its agencies or a political subdivision of the State, during a calendar year in which the person receives in the aggregate \$200,000 or more shall file with the State Administrative Board of Election Laws a statement disclosing contributions in excess of \$500 made during the reporting period to a candidate for elective office in any primary or general election.
- 25. No Contingent Fees. Grantee has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for Grantee, to solicit or secure the Grant. Grantee has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee, or any other consideration contingent on the making of the Grant.
- 26. No Lobbying Fees. In accordance with Maryland Annotated Code, State Finance and Procurement Article, § 7-221, Grantee certifies that no State money has been paid or promised to any legislative agent, lawyer, or lobbyist for any service to obtain the legislation establishing or appropriating funds for the Grant.
- 27. Non-hiring of State Employees. No State employee whose duties as such employee include matters relating to or affecting the subject matter of this Grant, shall, while so employed, become or be an employee of Grantee.
- 28. Amendment. The Agreement may be amended only in a writing signed by the parties.
- 29. Assignment. Grantee may not assign this Agreement without the prior written approval of the BPW. If the BPW approves an assignment, this Agreement shall bind Grantee's successors and assigns.
- 30. Entire Agreement. This Agreement represents the complete and final understanding of the parties. No other understanding or representations, oral or written, regarding the subject matter of this Agreement, shall be deemed to exist or to bind the parties at the time the parties sign the Agreement.
- 31. Maryland Law. Maryland laws govern the interpretation and enforcement of this Agreement.

By their signatures, so agree:

WITNESS:

GRANTEE:

By: _____(SEAL)

Name: _____

Title: _____

MARYLAND DEPARTMENT OF HEALTH

By: _____(SEAL)

Name: _____

Title: _____