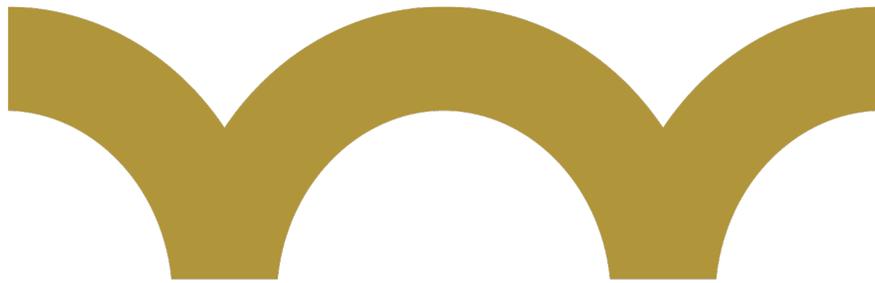


WASHINGTON STATE  
**HISTORICAL  
SOCIETY**



HERITAGE CAPITAL PROJECTS

**B23**

**Grant Guidelines**

(2021-2023 Biennium)

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# 1 Program Overview

## 1.1 Introduction

The Heritage Capital Projects (HCP) grant is for capital projects that **provide public access to history**. HCP was created by the Washington State Legislature by the enactment of [RCW 27.34.330](#). This act established HCP as a program of the Washington State Historical Society. Since 1995, HCP has distributed more than \$80 million to more than 300 community history projects.

*New things to look for in 2020:*

- The grant application is online
- The application will be completed in two stages,
  - Stage 1 for determining eligibility must be submitted by **April 23, 2020**
  - Stage 2 for scoring must be submitted by **June 25, 2020**
- The minimum grant request has changed to \$10,000 and the maximum grant request will remain \$1 million.

## 1.2 Legislative Funding Process

Through the application review, the Washington State Historical Society develops a ranked list of projects to recommend for funding as part of the agency's total funding request for the 2021-2023 biennium. The full ranked list of applications is forwarded to the Governor to include for Legislative deliberation of the state's capital budget. By law, the ranked list of applications may include up to \$10 million per biennium. This is not a guarantee of funding until the state capital budget is signed into law.

After the Legislature approves and the Governor signs the state capital budget, applicants will be notified of an award. Beginning July 1, 2021, program staff begin working with new grantees to develop grant contracts.

No work completed before being under contract can be reimbursed. All contracts expire June 30, 2023. No work after this date will be reimbursed.

If you have any questions, please contact program staff at [heritage.capitalprojects@wshs.wa.gov](mailto:heritage.capitalprojects@wshs.wa.gov).

## 1.3 Grant Timeline

February 3, 2020	Applications available online
April 23, 2020	Last day to submit Stage 1 for Threshold Review
June 25, 2020	Last day to submit Stage 2 for Advisory Panel Review
August, 2020	Public ranking (time and location to be announced)
September 2020	Ranked list submitted to state capital budget
January-June, 2021	Legislature determines state capital budget
July 1, 2021	Contracting begins
June 30, 2023	Grant projects completed

## 1.4 Definitions

**AGENCY-** the Washington State Historical Society

**Authorized Representative-** an elected or appointed officer of the grantee organization designated in writing by the grantee organization's governing authority, who acts officially on the GRANTEE's behalf.

**Authorized Signatory-** an executive officer of the grantee organization's governing authority designated to sign contracts on behalf of the GRANTEE.

**Cash match-** A cash contribution or expenditure that can come from the organization's own funds, cash donations or grants from non-state third parties.

**Cost share (Match)-** those costs, including cash and in-kind, that the grantee will incur from its own resources or from other cooperating organizations to complete the project described in the Contract.

**Date of grant authorization-** the date the Washington State Legislature initially appropriated funds for the project.

**Date of contract authorization-** the last date of an authorized signature on the Contract Form.

**Date of contract completion-** the date of the project closeout letter which initiates the thirteen (13) year monitoring period.

**Grantee-** the applicant that has been awarded a grant of funds and is bound by executed contract, including any officers, employees, or agents lawfully representing the grantee.

**Heritage organization-** a group whose purpose is to collect, preserve, or interpret history and culture.

**Heritage capital project-** project that involves the physical plant of a heritage organization, a historic landscape, archaeological site, historic ship, locomotive, airplane, other transportation conveyance, or acquisition of a property for protection and stabilization of heritage resources or by a heritage organization for purposes of new construction.

**In-kind contributions-** Non-cash contribution of value by non-state third parties. May include materials and supplies, professional services, legal and accounting services, architectural design fees, and volunteer labor. All services must be specific to the project.

**Local government agency-** city or county agency, port district, or public development authority.

**Nonprofit organization-** organization incorporated under the nonprofit laws of the state of Washington and holding a 501(c)(3) tax determination from the IRS.

**Real property value-** fair market value of real property when such property is acquired solely for the purpose of a heritage capital project. Evidenced by a current fair market appraisal performed by a qualified, professional real estate appraiser; a current property tax statement; or the purchase price paid by the grantee.

**Total project costs-** includes all costs associated with developing and implementing the project, including items to be reimbursed by grant funds and all items being paid for by the grantee as cost share.

## 1.5 Eligibility

Grant requests must be between \$10,000 and \$1,000,000.

Organizations applying for either a Building for the Arts grant or Building for Community grant from the Department of Commerce during the 2021-2023 biennium may not concurrently apply for a Heritage Capital Projects grant.

Organizations seeking a direct appropriation or other state funding during the 2021-2023 biennium may not concurrently apply for a Heritage Capital Projects grant for the same project or a closely related project. Seek HCP program staff assistance prior to applying to determine if projects will be considered closely related.

### Eligible applicants

- Local governments
- Tribal governments and related organizations
- Nonprofits with a 501c3 designation that are incorporated in Washington State
- Public development authorities and ports

### Eligible costs for either reimbursement or matching funds

- Construction of new facilities or improvements to existing facilities
- Purchase, restoration and/or preservation of such fixed assets as historic buildings and structures, historic ships, locomotives, airplanes and other transportation conveyances (transportation conveyances must be fixed, or used and controlled by a land-based applicant in WA State)
- Acquisition of unimproved property for the purpose of construction of a new heritage facility
- Acquisition, protection, stabilization, and/or development of historic or archaeological sites that are culturally significant
- Interior improvement of facilities used for hosting exhibits, programs, and preservation activities
- Construction-related design, architectural, and engineering expenses
- Purchase of equipment when necessary to accomplish the project

### Ineligible costs for reimbursement or matching funds include:

- General facility maintenance, routine repairs, consumable supplies, operating expenses, salaries, or programs
- Equipment not directly related to the project
- Leasing of equipment of automotive vehicles
- Indirect cost reimbursement for administrative functions
- Fundraising expenses
- Projects completed prior to the start of the biennium for which funding is made
- Retirement of operational debts nor for construction, facility improvement, or purchase loans that are incurred prior to award date of grant or date of legislative approval

### Compliance with Applicable Law

Applicants must be aware of and comply with all applicable federal, state, and local laws, regulations, policies, including, but not limited to:

- Hazardous Substances - [70.105 RCW](#)
- Governor's Executive Order 05-05
- Prevailing Wage Law - [RCW 39.12](#) and [WAC 296-127](#)
- Industrial Insurance - [RCW 51](#)
- Nondiscrimination - [RCW 49.60](#)
- Americans with Disabilities Act - 42.U.S.C. 12101 et. seq.
- High-performance Public Buildings (LEED) - [RCW 39.35D](#)
- Greenhouse Gas Emissions - [RCW 70.235](#)

Follow links on our webpage to learn more from the agencies that regulate these state and federal requirements, <http://www.washingtonhistory.org/support/heritage/capitalprojectsfund>.

### Property Control

Organizations must have full, long-term control of the property where the grant project will be.

Property control is determined by owning or holding a lease through June 30, 2036. Subleases are not adequate as property control to obtain a grant. Property control may not be shared with another organization claiming property control to receive state funds.

If the grant will be used to acquire a property for history purposes, a notarized letter of intent from the seller should be attached to the application.

Use the fair market value (also known as Real Property Value) of a property acquired by the applicant solely for the purpose of the project, or if the project is acquisition of the property. This value must be supported by a current appraisal (within 6 months of the application submittal) that is performed by a certified professional appraiser or recent purchase documents. It can be used as match within six years of being under contract for a grant award or if the purchase is made as part of the grant contract.

For information regarding property parcel numbers and legal descriptions, contact your county assessor or visit their website.

### Tribal Consultation and Historic Preservation

All projects must comply with local, state, tribal, and federal regulations regarding tribal consultation and historic preservation. Evidence of ongoing compliance for each must be attached to the application.

Applicants should contact their local tribes and the Department of Archeology & Historic Preservation (DAHP) for review of their proposed project before submitting an application.

Be prepared to provide a building address, any known historic designations, project specifics and any available architectural drawings. Be aware that tribes and DAHP may need additional information. Due to the volume of projects, please allow several weeks to a few months for review.

Here are some specific sources of information to help you answer questions:

- To see if your property is listed on the National Register of Historic Places or the Washington Heritage Register and learn about associated requirements, see: <http://www.dahp.wa.gov/learn-and-research/find-a-historic-place>
- If the property is listed or *eligible for listing* on the National Register of Historic Places or the Washington Heritage Register, relevant *Secretary of the Interior's Standards for Treatment of*

*Historic Properties* will need to be followed: <http://www.nps.gov/hps/tps/standguide/>.

- If the project disturbs ground or involves structures more than 45 years old, it may be subject to Governor’s Executive Order 05-05 or Section 106 review under the National Historic Preservation Act (NHPA). For more information, contact Nicholas Vann, Deputy Director for DAHP, at 360-586-3079 or [Nicholas.vann@dahp.wa.gov](mailto:Nicholas.vann@dahp.wa.gov).
- To request tribal consultation, you must directly contact the tribes. DAHP has published excellent advisement materials for how to do this, and how to identify which tribes you need to contact, at <https://dahp.wa.gov/archaeology/tribal-consultation-information>.

*See Appendix A for more information on eligible costs.*

## 1.6 Matching Funds

RCW 27.34.330 states that grant requests must be no more than 33.33% of a proposed project’s total cost. The remaining 66.67% of the project’s cost must be provided by the applicant. This is referred to as either “match” or “cost share” interchangeably.

Funds from other state sources and related match cannot be reimbursed, used as cost share, or included in any way in the HCP contract.

For the 2021-2023 biennium, matching expenses may include allowable costs after July 1, 2015.

### How much does your match need to be?

At minimum, you must provide \$2 of match for every \$1 of grant funding you are requesting. For example, if you ask for \$10,000 in grant funds, you must have at least \$20,000 in matching funds.

At the time of application submittal, the sources for 75% of an applicant’s match must be specifically identified in the application. The remaining 25% must be demonstrated before a grant contract will be finalized.

### Documenting Match

Both cash and in-kind match amounts must be thoroughly documented and cannot have served as match for any other state grants. We reimburse grantees only after receiving copies of the original billing documents (invoices) and proof of payment in the form of check numbers or EFT/ACH numbers. All match documentation must be documented and auditable. For both Cash and In-Kind match, letters of commitment for donations promised for over \$10,000, and award letters for non-state grants used as match.

### Cash Match

Cash match can include the applicant’s own funds, donations or grants from any non-state source, or investments of cash already expended in the project within six (6) years prior to the date of contracting. Document matching expenses with receipts at the time of requesting a reimbursement.

### In-Kind Match

In-kind match can be donated materials, pro bono professional services at that professional’s established rate, or the value of volunteer labor. All donated materials will need to be accompanied by a receipt for market value of the donation from the donor.

## Volunteer Labor

Volunteer labor may be used as in-kind match if it is fully documented and within the eligible cost categories outlined in Appendix A. Volunteer labor also must be connected to the scope of the proposed project to be considered as match. Volunteer labor will be valued at \$25 per hour. Future volunteer labor promised in the application as matching funds will require uploading a letter of commitment from the named volunteer if for a significant amount, such as a volunteer project manager. *If using past volunteer labor as match, call program staff to establish how to best include it in the application.*

If a grant is awarded, both future and past volunteer labor on the project will need to be documented with contemporaneous records including the following information:

- the individual's name
- date of work performed
- type of work on that date
- number of hours of work performed on that date rounded up to the nearest fifteen minutes

*A sample volunteer timesheet is available as Appendix B.*

## 2 Applying

***Stage 1 must be submitted by 5:00 PM on Thursday, April 23, 2020.***

***Stage 2 must be submitted by 5:00 PM on Thursday, June 25, 2020.***

### 2.1 Getting Ready

- Register for the Washington State Heritage Portal at
- Update your organization profile in the Heritage Portal
- Add the property your project site is on under "Properties" in the Heritage Portal
- Attend an HCP grant information session in person or by webinar
- Take the time to understand the requirements and obligations of the program
- Begin gathering materials for the required application attachments
- Contact local tribes and the Department of Archaeology and Historic Preservation to see if your project will need to be reviewed by them
- Don't apply if your organization or your project is not a good fit
- Think through your timing and consider waiting until the next grant cycle if timing is not right

After your Heritage Portal account has been registered, and you've received a confirmation email, you will be able to set your password and log in. Once registered, you'll be able to update an organization profile, add a property, and see the Heritage Capital Projects Stage 1 application. You will not be able to see the Stage 2 application until you have passed Stage 1.

## 2.2 Complete application

### Stage 1- Eligibility

HCP program staff conduct the initial review to determine an applicant's and project's eligibility from Stage 1 of the application. If errors are found that cause an applicant to be considered ineligible, the applicant will receive an email notifying them. Applicants can then choose to edit or withdraw their Stage 1 application.

You will have an opportunity to attach supporting documentation to your application.

### Required Documents

Please have the following documents attached to complete Stage 1:

- Proof of outreach to potentially affected tribes
- Current Conflict of Interest Statement signed by all board and key staff members
- Dated meeting minutes showing a resolution for your project from your organization's governing body
- Current financial statements
- Roster of governing authority including affiliations, and length of current terms
- IRS Determination Letter

Please have the following documents ready to submit for Stage 2:

- Documentation of potentially affected tribes' response and any requests from tribes for continued consultation
- Documentation of site control such as a property title or deed, or a lease extending beyond June 30, 2036 (may not use a sublease); if acquiring property through grant funds, use a notarized letter of commitment from the seller.
- Letters, EZ-1 forms, or other communications with DAHP to demonstrate consultation
- Documentation from funding sources giving \$10,000 or more towards your project
- Publishable digital images related to the project in JPG format
- Bids and cost estimates developed for the project
- Proof of consultation with potentially affected tribes

### Optional Request Documents

Optional but recommended. These are documents that will increase the likelihood that your application will be ranked highly.

- Historic Structures Reports, Condition Assessments, Master Facility Plans
- Architectural and Site Plans
- Evidence of partner commitment
- Evidence of community support such as letters of support, newspaper articles, etc.
- Other documents supporting your grant request

### Optional Organization Documents

These organizational documents are not required for this grant but will be available to reviewers when scoring your application. They will be added to your Organization Profile and available for multiple grant cycles. These provide information about your organization's sustainability. These documents may not

apply to all application organizations or proposed projects, but could be things your project partners use in supporting your project. They also demonstrate your organization understands and uses appropriate best practices for public access to history.

- Mission, Vision, & Values Statement
- Strategic Plan
- Disaster Plan
- Last fiscal year IRS 990 form
- Annual report
- Code of Ethics
- Collections Management Plan
- Communications/ Marketing Plan
- Diversity and Inclusion Statement
- Interpretive Plan
- Volunteer Manual
- Other documents that help make the case for your organization

If your application demonstrates eligibility by passing the Threshold Review, the narrative sections of the application directly relate to how your application will be scored by panel reviewers. Consider also in your narrative are how your attachments support your writing. Be succinct, but demonstrate across your narratives:

- Community Value- that your project is wanted or needed by your community
- Planning- that you can finish on time and on budget
- Purpose- how this project supports active public access to history
- Capacity- that you have the right team and resources to do the job well
- Stability- that you have a plan to maintain the facility and the project purpose throughout the monitoring period of thirteen (13) years after the project is implemented

This narrative section will also form the base of your grant contract if you are awarded a grant. When considering the monitoring period, think about strategic steps you may take at different times to demonstrate ongoing facilities care and public access to history.

For example, a grant to build a new museum could be monitored for developing best practices typical to museums. Early in the monitoring period, this might include developing a collections management policy or an interpretive plan, while later as the organization matures it may provide a schedule of history programs or exhibits produced in a particular year, etc. If awarded a grant, you will be asked to provide a brief report annually to describe how you continue to meet the purpose of the Heritage Capital Projects program.

For ideas of how this could relate to your project, research field best practices such as those identified by the American Association of State and Local History, the American Alliance of Museums, the Washington Museum Association, the WA Trust for Historic Preservation, or the Washington Association of Nonprofits.

Additional ideas for nonprofits are in the Secretary of State's Handbook for Nonprofits, available online. If you are not a heritage nonprofit, talk to your local historical society or community museum to gain their insight into how you can provide history interpretation or support preservation activities. Consider partnering with them, perhaps to provide an annual behind-the-scenes history tour of a building not usually used for history programs. Contact HCP program staff early if you would like additional examples or advisement.

### Project Budget

This is where you list expenses. You will need to break down your project budget according to cost categories provided by the State Office of Financial Management for capital projects. Your budget needs to include both what you are paying for as cost share as well as what you want funded through the HCP grant.

Your total budget costs should be justified by attached estimates and bids. If you are rounding up from the attached documents, explain that in your project narratives or in an additional summary attached as supplemental documentation.

You may not include administration costs as part of either your grant funded or cost share portion of the budget.

### Non-State Funding Sources

This is where you list how you are going to pay for your cost share. Include only sources of funding that do not come from the State of Washington, either as a direct appropriation or through an agency's grant programs.

You may use the following as match:

- Local or federal government funds
- Private foundation grants
- Historic preservation tax credits
- Earned income from sales of items
- Membership dues restricted for this project
- Donations raised from fundraising events or campaigns and restricted to this project
- Donated professional services
- Donated materials according to market value
- Volunteer labor at \$25 per hour expended in the project for eligible costs after July 1, 2015
- Volunteer labor at \$25 per hour committed to the project in writing prior to June 30, 2023

You must document any match from a single source that is over \$10,000 by attaching supplemental documentation to your application. This may be an award letter, a letter of commitment from a major donor, a letter of commitment or past cancelled invoice from a donating professional, or other similar proof that the funding source is committed.

At the time you submit your application, 75% of your total matching funds must be in hand. This means that if your application gets ranked, you can continue to fundraise for the remaining 25 % of your match while you wait to find out if your grant will be awarded by the Legislature.

## Application Review

In this stage, the Advisory Panel scores eligible applications according to merit. Panel reviewers first read all applications and score them individually before discussing all of the applications in a public meeting to determine a ranked list of applications.

Based on the discussion, panelists may amend scores collectively until consensus is reached on the final ranking of eligible projects. Panelists may alter the amount of the grant requested at this point, or may decline to rank a project that they determine is not ready or does not adequately meet the purpose of the Heritage Capital Projects program.

Panel members with a conflict of interest involving an applicant or specific project will recuse themselves from reviewing or scoring that application.

### 3.1 Scoring

Each application can receive up to 100 points based on the following available points:

- COMMUNITY VALUE – up to 15 points
- PROJECT PLANNING – up to 25 points
- PROJECT PURPOSE– up to 20 points
- ORGANIZATIONAL CAPACITY - up to 20 points
- OPERATIONS & MAINTENANCE SUSTAINABILITY – up to 20 points

### 3.2 Ranking

In August 2020, the HCP Advisory Panel will rank all applications in a public meeting. The meeting time and place will be announced on the Washington State Historical Society's website, and all applicants will additionally be notified by email.

The HCP Advisory Panel will create a ranked list of up to \$10 million in grant requests. The Advisory Panel considers and ranks all eligible applications. They may recommend either full, partial, or no funding for each application according to its perceived merit as scored according to the evaluation criteria. Panel members who have recused from reviewing a specific application will leave the room when that application is discussed.

## 4 Contracting

Beginning July 1, 2021, program staff will begin to negotiate contracts with those applicants who have been awarded Heritage Capital Projects grants for the 2021-2023 biennium. Negotiated contracts constitute the formal relationship between the Washington State Historical Society (WSHS) and grantees. WSHS cannot sign contracts or otherwise financially obligate funds until the grants are appropriated in the state capital budget.

## 4.1 Contract Development

The grant application becomes the basis for the grant contract, however additional information will be requested as required. Feedback from the Threshold Review and Advisory Panel Review will be incorporated during the contract process, and may affect the scope or budget of the grant contract. New grantees may also request changes during the contract negotiation based on changes that occur between submitting the application and the passage of the state capital budget. These requests will be subject to review and approval by program staff and should remain within the intent of the original application.

It generally takes four to six weeks to execute a contract once a grantee provides all needed information. Program staff will assign a contract number and draft the contract for both the grantee and WSHS agency director to sign. After the last signature date on the contract, project work can begin.

*The contract number should be referenced in the subject line of all communications throughout project implementation and the monitoring period.*

*See Appendix C for a sample grant contract.*

Following contract execution, program staff will provide reimbursement instructions to the grantee's primary contact as listed in the application. If this primary contact changes, it is the grantee's responsibility to provide updated information to program staff.

## 4.2 Contract Management

### Grantee Contract Management Role

The grantee is bound by the contract to meet all contract terms and requirements, and responsible to maintain clear and accurate project records.

This includes:

- Ongoing historic preservation review of any plan changes throughout the project **prior to affected work**; documentation of such must be forwarded to HCP program staff
- Tracking eligible expenditures by cost category
- Retaining invoices and proof of payment to provide with reimbursement requests
- Tracking Scope of Work progress and submitting implementation and monitoring reports regularly
- Taking digital photos throughout implementation and monitoring
- Tracking compliance requirements throughout implementation and monitoring
- Having records accessible to WSHS and the State Auditor as requested

### WSHS Contract Management Role

WSHS is as bound by the contract as the grantee is and responsible for maintaining clear and accurate contract records.

This includes:

- Making those records accessible to the State Auditor as requested
- Meeting all state contracting and reporting requirements
- Monitoring to ensure compliance and to support ongoing project purpose and stability

### 4.3 Reimbursement Requests

Grant funds are available on a reimbursement basis only and cannot be advanced. Reimbursable costs are those that a grantee has already incurred and paid. No funds spent prior to being under contract will be reimbursed. The final 10% of funds will be reimbursed after a closeout site visit and meeting have been completed.

We reimburse grantees only after receiving copies of the original billing documents (invoices) with check or EFT/ACH numbers written on them, as applicable. The documentation requirements for reimbursable expenses are the same as for matching expenditures (see section 1.6) Documentation of all match must also be provided on an ongoing basis until the full match requirement is fulfilled. Implementation Reports shall also be submitted without an accompanying reimbursement request if no request has been or will be made within the fiscal quarter.

Program staff will provide:

- Verification of completeness and accuracy of reimbursement documents and reports
- Verification of eligibility of expenses
- Verification of progress on Scope of Work
- Verification of compliance with DAHP continued consultation where applicable
- Authorization of reimbursement for requested payments

### 4.4 Contract Completion

#### Final Implementation Report

The final Progress Status Report will demonstrate that the grantee has completed all items in the scope of work and any significant changes or events that occurred during the project implementation. The grantee will include digital images of the completed project and an image demonstrating permanent acknowledgement of the use of a Heritage Capital Projects grant for the project. Program staff may waive this requirement if warranted. A final reimbursement request should be submitted with the final Progress Status Report.

#### Closeout

Program staff will review completion of the project and schedule a closeout meeting and site visit, after which the remaining 10% of funds will be released to the grantee. Monitoring expectations and deliverables will be clarified with input from the grantee during the closeout meeting.

A closeout letter will then also be mailed to the grantee identifying the end date of the monitoring period and the monitoring expectations discussed in the closeout meeting.

#### Monitoring

The project will continue to be monitored by program staff until the date identified in the closeout letter. During this time, the grantee will be responsible for providing any requested materials or access by WSHS for ensuring continued compliance with the contracted purposes of the grant.

### Amendments During Monitoring

During the monitoring period, grantees may request changes to their monitoring expectations at the discretion of HCP program staff and the WSHS agency director. These changes may be requested solely to improve the delivery of the project purpose stated in the grant contract.

### Property Transfer During Monitoring

If a grantee suspects that they may become unable to maintain, operate, or otherwise control the property for the express purposes of the grant, they should immediately contact HCP program staff. If a grantee breaks the contract, RCW 27.34.330 provides no alternative other than for the grantee to repay the full amount of the grant plus interest at the rate used for state bonds sold nearest the date of the grant's appropriation. Staff will make every effort to help the grantee find an alternative means of meeting the express purpose of the grant. Early notification is the key to a successful resolution.

## Appendix A- Eligibility Detail

The information below distinguishes allowable capital purposes from non-allowable operating expenses. It does not determine whether or not expenses are required to provide public access to history. The advisory panel and program staff will determine suitability for inclusion in the Heritage Capital Grants Program. The list is not intended to be all-inclusive.

### *Administrative and staffing costs*

Grant funds are intended for the acquisition, construction and renovation of capital assets. Do not use them to subsidize operating costs such as ordinary maintenance or administrative staff expenses. IRS tax rules relating to staffing costs are very restrictive.

#### Allowed:

- Project administrative costs for tasks directly related to a project, including project support services such as processing agreements, contracts and change orders; managing bid processes and verifying invoices. Project-related administrative costs must be identified as such in accounting records.
- Project management fees for project design, land use applications, environmental impact statements and other environmental assessments, hazardous material assessments and building-code plan review. This also covers project management costs related to consultant selection, contract negotiation, administration of consultant agreements and public works contracts for individual capital projects. These costs must be identified as such in accounting records.
- Staff costs for the time and expenses directly related to coordinating and delivering a project. Project-related staff costs must be identified as such in accounting records.
- Tasks associated with the support of project management operations for multiple projects including staff management, staff support, accounting and management of public information regarding the capital project.

#### Not allowed:

- Regular staff operating costs.
- Administrative costs related to budget development, grant writing or fundraising, long-range budget planning and other initiatives.
- Non-project specific tasks associated with overall general comprehensive planning for facilities and infrastructure, the identification and prioritization of capital projects and the preparation of grant requests or fundraising.

### *Acquisition – land and buildings*

#### Allowed:

- Expenditures for the acquisition of real property including expenses directly and necessarily related to such purchase or condemnation.
- The cost of improvements to real property, such as buildings, structures, land improvements, roads and bridges. Costs may include land and improvement costs, appraisal fees, title opinions, surveying fees, real estate fees, and related legal expenses.

- Relocation costs that are payments made to owners or occupants of property that the state is acquiring. These costs can be financed long-term when paid pursuant to federal or state statutes.

#### *Site improvement costs*

##### Allowed:

- Site improvement such as demolition of buildings and structures; construction or extensions or roads, construction or replacement of sidewalks, bridges, ramps, curbs, pedestrian bridges and tunnels, building terraces, retaining walls and exterior lighting surface parking areas; removal of trees and plant material; grading; rerouting of utilities; and erosion control may be allowed if they precede a financed project to be undertaken on the same site.

##### Not allowed:

- Routine maintenance of land improvements.
- Expenditures to acquire or construct temporary facilities or for facilities where abandonment or replacement is imminent. This does not include temporary facilities required by a contractor during construction.

#### *Facilities construction or preservation*

##### Allowed:

- Expenditures for the reconstruction, preservation and improvement of existing buildings or structures that materially extend their useful lives, including:
- Site developments necessarily required or related to the preparation of a site for reconstruction purposes (see "Site Improvement Costs").
- Required built-in, special purpose or other fixed equipment where such equipment is permanently affixed or connected to real property in such a manner that removal would cause damage to the real property to which it is affixed.
- Interior work including: demolition, moving walls, new carpet or floor surfaces, new finishes, replacement of electrical and plumbing facilities and installation of new fixed or movable equipment.

##### Not allowed:

- Normally recurring expenses.
- Labor fees associated with moving equipment between facilities.
- Ordinary maintenance such as patching, painting, caulking, weatherproofing, insulating, adding storm windows, replacing doors, replacing gutters and shingles, repairing vandalism or cleaning. An aggregation of ordinary maintenance does not create a long-term capital project.

#### *Utilities, safety and codes*

##### Allowed:

- Expenditures for the acquisition, construction, replacement, modification or extension of utility systems, including construction or replacement of utility lines between buildings, replacement or installation of utilities to off-site supply systems, and replacement of complete boiler or central air conditioning or ventilation systems.

##### Not allowed:

- Minor replacement of corroded or leaking pipes inside a facility; replacement of unsafe or undersized wiring; repairs to stop leaks; replacement of heating or cooling coils; replacement of radiators, fans or motors; re-tubing of boilers; addition of controls or valves for energy

conservation; or replacement of thermostats, timers and other items that are consumed or worn out in the ordinary course of use of a capital facility.

### Equipment

#### Allowed:

- *Built-in equipment* permanently attached to the building or improvement and considered to be an integral part of the structure, without which the building or improvement will not function. Built-in equipment is generally included in the base construction budget and estimate. Examples include plumbing fixtures, heating, ventilation and air-conditioning equipment, electrical equipment, elevators and escalators.
- *Fixed equipment* attached to the building or improvements for purposes of securing the item and contributing to the facility's function. Fixed equipment is generally included in the base construction budget and estimate. Examples include shelving, cabinets and bolted furniture.
- *Some movable equipment* may be allowed if it is necessary for the functioning of the building or improvement and remains with the facility in support of a program, even though it is not attached to the building or improvement. Movable equipment is generally included in a separate equipment budget and estimate. Examples include desks and computers. Check with program staff if you have questions (i.e. initial furnishings as long as their average useful life of the item purchased is 13 years or more).
- Some costs of purchasing or developing *information/software systems* may be allowed. For additional information, consult with program staff.

#### Not allowed:

- *Consumable inventories* are supplies consumed in the course of an agency's operation or incidental items held for resale. Examples include office, janitorial and chemical supplies and laboratory glassware.
- *Spare or replacement parts for equipment.*
- *Any equipment not directly supporting public access to history.* For example, art equipment in an historic building.
- *Temporary equipment* to be used for a period less than its useful life.



## Appendix C- Contract Sample



State of Washington  
Washington State History Society  
Contract #: 21-01  
Grantee: ABC Museum

1. PARTIES TO THE CONTRACT

This state funded Contract for Heritage Capital Projects (Contract) is entered between ABC Museum, 123 First Street, Spokane, WA 99201 (GRANTEE) and the Washington State Historical Society, 1911 Pacific Avenue, Tacoma WA 98402 (AGENCY), and shall be binding upon all agents and all persons acting by or through the parties.

2. PURPOSE OF CONTRACT

This Contract, including Attachments A through H (collectively referred to hereafter as "Contract"), sets out the terms and conditions by which a grant is made for a Heritage Capital project during the 2021-2023 biennium from funds appropriated by the Washington State Legislature in Capital Enacted Bill SSB 6090 which was incorporated into the Capital Budget signed into law by the governor on June 28, 2020. RCW 27.34.330 provides statutory authorization for the funding program. The program is administered by the Agency.

3. DESCRIPTION OF HERITAGE CAPITAL PROJECT

Funds awarded under this Contract shall be used by the GRANTEE solely for the "Project Title", as described in ATTACHMENT B (PROJECT SCOPE OF WORK), and for the express purposes of the grant as described in ATTACHMENT C (PROJECT PURPOSE).

4. CONSIDERATION

The parties agree that, in exchange for the grant money awarded pursuant to this Contract, the State of Washington and the Agency shall receive in consideration the preservation and interpretation of historical sites and artifacts that have the potential to provide lifelong learning opportunities for the citizens of the state, as described in this Contract, including Attachments B and C.

5. AMOUNT OF GRANT

The Washington State Legislature appropriated \$100,000 (one hundred thousand dollars). Of this appropriation, the total funds available to the GRANTEE for reimbursement of eligible costs shall be \$997,000 (nine hundred ninety seven thousand dollars). The AGENCY shall retain three percent (3.0%) of the appropriation, which is \$3,000 (three thousand dollars) as the cost of administering the grant and this Contract.

6. COST SHARE

The total cost of the projects shall include only those costs that are eligible expenditures as described in ATTACHMENT D (PROJECT BUDGET). GRANTEE agrees that the amount of state funding shall not exceed thirty three and thirty-three one hundredths percent (33.33%) of the total cost of the project. The non-state portion of the total cost of the project shall be the GRANTEE's cost share of the total cost of the project. The amount of the GRANTEE's cost share shall be \$200,000 (two hundred thousand dollars).

#### 7. PERIOD OF PERFORMANCE

The period of performance under this Contract shall be from the date of the last signature of the contracting parties to June 30, 2023. Without further appropriation from the legislature, expenditures beyond this date shall not be reimbursed. The requirement set forth below in Section 8 to maintain ownership or a lease on the subject property, and to use it for the express purposes of the grant, shall remain in full force and effect for thirteen years following the date of contract completion, as defined in Attachment A.

#### 8. CAPITAL IMPROVEMENTS TO BE HELD BY GRANTEE

- a. Capital improvements funded by the Heritage Capital Projects grant are to be used for the express purpose of this grant. No funds appropriated for a Heritage Capital Projects grant shall be used for capital improvements not included in the legislative appropriation and specifically designated in this Contract with the AGENCY.
- b. As required by RCW 27.34.330, capital improvements funded by this grant shall be held by the GRANTEE for at least thirteen (13) years from the date of contract completion; the facilities shall be used for the express purpose of the grant as set forth in this Contract, including Attachments B and C; and, if mobile, used primarily in Washington State. The GRANTEE agrees that it will maintain ownership or lease of ALL property to be held, as described in ATTACHMENT G (PROPERTY PARCEL NUMBER(S) AND LEGAL DESCRIPTION(S)), for thirteen (13) years beyond the date of contract completion. Failure to maintain ownership or a lease on the subject property for thirteen years following the date of contract completion shall constitute a breach of this Contract. Pursuant to the terms of this Contract and RCW 27.34.330, if the Grantee is found to be in breach of this Contract, the Grantee shall repay to the state general fund the principal amount of the grant plus interest calculated at the rate of interest on state of Washington general obligation bonds issued most closely to the date of authorization of the grant.
- c. The AGENCY maintains right of entry for thirteen (13) years from the date of contract completion to ensure continued compliance with this Contract. The GRANTEE will be monitored for continued property control and project outcomes as described in the contract statement of purpose. Monitoring tools appropriate to the project purpose will be determined during the project closeout process and declared in writing from the AGENCY to the GRANTEE. Monitoring tools may include, but are not limited to, reporting of annual metrics as declared in the project closeout letter, scheduled and unscheduled site visits, or requests for images for publication. During the monitoring period, the GRANTEE may request mitigation of monitoring tools to support enhancing the public benefit provided by the GRANTEE.

#### 9. REAPPROPRIATION

The parties hereto agree and understand that any state funds not expended and billed by end of the biennium, June 30, 2023, will lapse on that date unless reappropriated by the Washington State Legislature. If funds are so reappropriated, the AGENCY's obligation under the terms of this Contract shall be contingent upon terms of such reappropriation. GRANTEE may not rely to its detriment upon use of funds not properly billed or not appropriated. The GRANTEE shall be allowed only two requests for reappropriation of the funds awarded in this Contract. Approval of such requests is not guaranteed.

#### 10. RIGHTS AND OBLIGATIONS

All rights and obligations of the parties to this Contract are subject to this Contract, which include the following attachments, and which are made a part of this Contract:

- ATTACHMENT A (GENERAL PROVISIONS)
- ATTACHMENT B (PROJECT SCOPE OF WORK)
- ATTACHMENT C (PURPOSE OF PROJECT)
- ATTACHMENT D (PROJECT BUDGET)
- ATTACHMENT E (SOURCE OF AVAILABLE FUNDS)
- ATTACHMENT F (CERTIFICATION OF AGREEMENT TO FOLLOW ALL LAWS)
- ATTACHMENT G (PROPERTY PARCEL NUMBER(S) AND LEGAL DESCRIPTIONS)
- ATTACHMENT H (LEASES, CONTRACTS, AND AGREEMENTS)

#### 11. ENTIRE CONTRACT

This Contract, including all attachments, constitutes the entire agreement between Agency and Grantee and supersedes all previous written or oral agreements or understandings between the Agency and Grantee related to this Contract.

This Contract may be amended as set forth in the Contract Modifications in Attachment A.

#### 12. CONTRACT REPRESENTATIVES

The GRANTEE's representative shall be the contact person for all communications and billings regarding the performance of this Contract. The GRANTEE's representative shall be:

Ethbert Winchell, Facilities Manager  
ABC County Historical Societ  
P.O. Box 23, Spokane WA 99201

The AGENCY's representative shall be the contact person for all communications and billings regarding the performance of this Contract. The AGENCY's representative shall be:

Lissa Kramer, Heritage Capital Projects Manager  
Washington State Historical Society  
1911 Pacific Avenue, Tacoma WA 98402  
253-798-5909 [lissa.kramer@wshs.wa.gov](mailto:lissa.kramer@wshs.wa.gov)

#### 13. SIGNATURES

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Jennifer Kilmer, Executive Director  
Washington State Historical Society

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Josephine Justine, President  
ABC County Historical Society  
Federal Tax ID# : Program Organization.Tax

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Date

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Date

**CONTRACT #: 23-01  
ATTACHMENT A  
GENERAL PROVISIONS**

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A. HEADINGS AND DEFINITIONS

1. Headings

Headings used in this Contract are for reference purposes only and shall not be considered a substantive part of this Contract.

2. Definitions

AGENCY- the Washington State Historical Society.

Authorized Representative- an elected or appointed officer of the corporation or agency, or alternate designated in writing by the GRANTEE’s governing authority, who acts officially on the GRANTEE’s behalf.

Authorized Signatory- an executive officer of the corporation or agency’s governing authority designated to sign contracts on behalf of the GRANTEE.

Cash match- money from the grantee organization or from other sources, which can include grants from foundations, nonstate governmental agencies, individuals, corporations, and others.

Cost share- those costs, including cash and in-kind, that the grantee will incur from its own resources or from other cooperating organizations to complete the project described in the Contract.

Date of grant authorization- the date the Washington State Legislature initially appropriated funds for the project.

Date of contract authorization- the last date of an authorized signature on the Contract Form.

Date of contract completion- the date of the project closeout letter from the Agency which initiates the thirteen (13) year monitoring period.

GRANTEE- the applicant that has been awarded a grant of funds and is bound by this executed Contract, including any officers, employees, or agents lawfully representing the GRANTEE.

Heritage organization- a group whose purpose is to collect, preserve, or interpret history, heritage, and culture.

Heritage capital project- project that involves the physical plant of a heritage organization, a historic landscape, archaeological site, historic ship, locomotive, airplane, other transportation conveyance, or acquisition of a property for protection and stabilization of heritage resources or by a heritage organization for purposes of new construction.

In-kind contributions- contributions to a project that are not part of cash match. May include materials and supplies, professional consultation, legal and accounting services specific to the project, architectural design fees, and volunteer labor.

Local government agency- city or county agency, port district, or public development authority.

Nonprofit organization- organization incorporated under the nonprofit laws of the state of Washington and holding a 501(c)(3) tax determination from the IRS.

Other entity- As authorized by RCW 27.34.330, an entity that meets all criteria for Heritage capitol project funding and can be considered for a grant award at the discretion of the Washington State Historical Society

Real property value- fair market value of real property when such property is acquired solely for the purpose of a heritage capital project. Evidenced by a current fair market appraisal performed by a qualified, professional real estate appraiser.

Total project costs- include, but are not limited to, the amount sought from the fund and what the applicant will provide as cost share.

## B. GENERAL CONTRACT TERMS

### 1. Order of Precedence

The items listed below are incorporated by reference herein. In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order.

1. Applicable federal and Washington State statutes and regulations
2. State executive orders
3. Terms and conditions of this Contract
4. ATTACHMENT A (GENERAL PROVISIONS)
5. Other attachments or material incorporated by reference.

### 2. Contract Modifications

- a) This Contract may be modified by mutual agreement of the parties. Such modifications shall not be binding unless in writing and signed by both parties prior to implementation of the modifications. Any oral understanding or agreement not incorporated herein shall not be binding.

- b) Budget modification by the GRANTEE of not more than ten (10) percent of any line item or combination of line items from the Project Budget (Attachment B) is excepted from subsection 2(a). Modifications that increase a line item must be offset by reductions in other line items so there is no increase to the total amount available to the GRANTEE in this grant.
- c) The GRANTEE shall notify the AGENCY in writing prior to making any budget modification or combination of budget modifications that would exceed ten (10) percent of any line item. Budget modifications exceeding ten (10) percent of any line item or combination of line items constitutes a Contract Modification and must be approved by both parties in writing prior to implementation of the modification.

### 3. No Waiver

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing signed by the authorized representatives of the AGENCY and the GRANTEE.

## C. PERFORMANCE AND GENERAL RESPONSIBILITIES

### 1. Nonassignability

Neither this Contract nor any claim arising under this Contract shall be transferred or assigned by the GRANTEE without written permission from the AGENCY.

### 2. Independent Capacity of Grantee

The parties intend that an independent relationship will be created by this Contract. The GRANTEE and its employees or agents performing under this Contract are not employees or agents of the AGENCY. The GRANTEE and its employees or agents will not hold themselves out as nor claim to be officers or employees of the AGENCY or of the State of Washington by reason of this Contract and will not make any claim, demand, or application to or for any right or privilege which would accrue to such employee under law. Conduct and control of the work will solely be with the GRANTEE.

### 3. Ownership of Project/ Capital Improvements

The AGENCY makes no claim to any real property improved or constructed with funds awarded under this Contract and does not assert and will not acquire any ownership interest in or title to the capital facilities and/ or equipment constructed or purchased with state funds under this Contract. This provision does not extend to claims that the AGENCY may bring against the GRANTEE in recapturing funds expended in violation of this Contract.

### 4. Hold Harmless

To the extent permitted by law, the GRANTEE shall defend, protect, and hold harmless the State of Washington and the AGENCY, its employees, agents, officers, and assigns from and against all claims, suits, or actions arising from the GRANTEE's acts or omissions and those of its employees, officers, and agents, including those which are libelous or slanderous, which result in injury to persons or property, which violate a right of confidentiality, or which constitute an infringement of any copyright, patent, trademark, or tradename through use or reproduction of material of any kind. The GRANTEE shall be required to indemnify, defend, and hold harmless

the State only to the extent the claim is caused in whole or in part by negligent acts or omissions of the GRANTEE.

The GRANTEE waives its immunity under Title 51 RCW (Industrial Insurance) to the extent required to indemnify, defend, and hold harmless AGENCY, the state of Washington and agencies, officials, agents, or employees of the state.

#### 5. Acknowledgement

The GRANTEE shall announce in its publicity materials, on a posted sign during the project, and on a permanent marker that the State of Washington is a source and the Washington State Historical Society the administrator of these funds unless such requirement is modified or waived in writing by the AGENCY.

#### 6. Ethics Compliance

The AGENCY may, by written notice to the GRANTEE, terminate this Contract if it is found after due notice and examination by the AGENCY that there is a violation of the Code of Ethics for Municipal Officers (Chapter 42.23 RCW) or any similar statute involving the GRANTEE in the procurement of, or the performance under, this Contract.

#### 7. Public Disclosure/ Confidentiality

- a) The GRANTEE acknowledges that the AGENCY is subject to the Public Records Act (Chapter 42.56 RCW), and that this Contract shall be a public record as defined. Any specific information that is claimed by the GRANTEE to be confidential or proprietary must be clearly identified as such by the GRANTEE. If a request is made to view the GRANTEE's information marked as confidential, the AGENCY will notify the GRANTEE of the request and the date that such records will be released to the requestor unless the GRANTEE obtains a court order enjoining that disclosure. If the GRANTEE fails to obtain the court order enjoining disclosure, the AGENCY will release the requested information on the date specified.
- b) The GRANTEE shall not use or disclose any information concerning the AGENCY, or information which may be classified as confidential for any purpose not directly connected with the administration of this Contract except (1) with prior written consent of the AGENCY, or (2) as may be required by law.

### D. COMPLIANCE WITH LAWS, RECORDS, AND INSPECTIONS

#### 1. Compliance with Applicable Law

- a) The GRANTEE agrees to be aware of, and comply with, all applicable and current federal, state, and local laws, regulations, and policies. The GRANTEE's confirmation of this requirement is contained in ATTACHMENT F (CERTIFICATION OF AGREEMENT TO FOLLOW ALL LAWS). AGENCY is not responsible for determining compliance.
- b) In the event of the GRANTEE's noncompliance or refusal to comply with any applicable law or policy, the Contract may be suspended or terminated in whole or in part, and the GRANTEE and the project may be declared ineligible for further grant awards from the AGENCY.
- c) The GRANTEE further agrees to indemnify and hold harmless the AGENCY from all liability, damages, and costs of any nature including but not limited to costs of suits and

attorneys' fees assessed against the AGENCY, as a result of the failure of the GRANTEE to so comply.

## 2. Records, Reports, and Audits

- a) The GRANTEE shall maintain books, records, documents, and other evidence of accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. These records shall be subject at all reasonable times to inspection, review, or audit by personnel duly authorized by the AGENCY, the Office of the State Auditor, and federal officials so authorized by law, rule, regulation, or Contract. The GRANTEE will retain all books, records, documents, and other materials relevant to this Contract for six years after full termination or expiration of this Contract, which includes the thirteen (13) year monitoring period that begins on the date of the closeout letter at contract completion, and make them available for inspection by persons authorized under this provision. If any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.
- b) The GRANTEE shall comply with all auditing requirements, including audit requirements for the expenditure of more than \$100,000 or more in total state funds in a fiscal year, if applicable.

## 3. Right of Entry

The GRANTEE shall provide right of access of its facilities to the AGENCY or to any of its officers, or to any other authorized agent or official of the state of Washington or the federal government at all reasonable times, in order to monitor and evaluate performance, compliance, and/ or quality assurance under this Contract.

## 4. Evaluation and Monitoring

- a) The GRANTEE shall cooperate with and fully participate in any monitoring or evaluation activities conducted by the AGENCY that are relevant to compliance with this Contract, including providing initial and updated project plans for AGENCY review and approval and facilitating record production and periodic site inspections.
- b) The GRANTEE shall provide the AGENCY with digital images and narratives that depict the progress made on the project. Such images will be used by the AGENCY to support reimbursement requests and to inform the public about the grant program on the web and elsewhere. Images and narratives shall be provided with each request for reimbursement.

## 5. Hazardous Substances

The GRANTEE will defend, protect, and hold harmless the AGENCY, and any and all of its employees and/ or agents, from and against any and all liability, cost (including but not limited to all costs of defense and attorney's fees), and any and all loss of any nature from any and all claims or suits resulting from the presence of, or release or threatened release, of hazardous substances as defined in RCW 70.105D.020, on the property covered by the Contract.

#### 6. Governor's Executive Order 05-05

The GRANTEE shall comply with Governor's Executive Order 05-05. In the event that historical or cultural artifacts are discovered at the project site during construction, the GRANTEE shall immediately stop construction and notify the local historical preservation officer and the state historical preservation officer at the Washington State Department of Archaeology and Historic Preservation.

#### 7. Prevailing Wage Law

The project funded under this Contract may be subject to state Prevailing Wage law (RCW 39.12). The GRANTEE is advised to consult with the Industrial Statistician at the Washington State Department of Labor and Industries to determine whether prevailing wage must be paid. The AGENCY is not responsible for determining whether prevailing wage applies to this project or for any prevailing wage payments that may be required by law.

#### 8. Industrial Insurance Coverage

The GRANTEE shall comply with all applicable provisions of Title 51 RCW (Industrial Insurance).

#### 9. Nondiscrimination Provision

- a) During the performance of this Contract, the GRANTEE shall abide by all applicable federal and state nondiscrimination laws and regulations, including but not limited to Washington's Law Against Discrimination (RCW 49.60) and the Americans with Disabilities Act (42 U.S.C. 12101 et. seq.).
- b) In the event of the GRANTEE's noncompliance or refusal to comply with any nondiscrimination law, regulation, or policy, this Contract may be suspended or terminated in whole or in part, and the GRANTEE may be declared ineligible for further Contracts with the AGENCY. The GRANTEE shall, however, be given a reasonable time in which to remedy in accordance with the "Dispute Resolution" procedure set forth in Section 25 of this Contract Attachment.

### E. FUNDING REIMBURSEMENT AND BUDGET

#### 1. Reimbursement

- a) Payment to the GRANTEE shall be made on a reimbursement basis only, for eligible costs incurred, using forms provided by the AGENCY. Reimbursement shall be allowed for (1) actual costs incurred and paid. No advance payments shall be made to the GRANTEE. Purchases of goods will be reimbursed upon receipt, and services will be reimbursed upon completion of work.
- b) Each request for reimbursement shall include a state voucher form and digital images and a narrative report describing the work completed and the status of the project. The reimbursement request shall not include any costs already reimbursed by or charged against any other grant or other source. The voucher must be certified by an official of the GRANTEE with the authority bind the GRANTEE.
- c) After receiving and approving the voucher and accompanying information, the AGENCY shall promptly remit a warrant to the GRANTEE. The obligation of the AGENCY to pay any amount(s) under this Contract is expressly conditioned upon compliance with the terms of this Contract by the GRANTEE.

- d) The expenditure of state funds shall not exceed the intended state share of the total cost of the project at any time, and shall be consistent with the Legislative appropriation.
- e) The final request for reimbursement under this Contract shall be submitted by the GRANTEE to the AGENCY within fifteen (15) days following the completion of the work or other termination of the Contract and be accompanied by a final narrative report and digital images of the completed project.

## 2. Recapture of Funds

In the event that the GRANTEE fails to expend state funds in accordance with state law and/ or the provisions of this Contract, the AGENCY reserves the right to recapture state funds in an amount equivalent to the extent of noncompliance. Repayment by the GRANTEE of state funds under this recapture provision shall occur within thirty (30) days of demand. In the event that the AGENCY is required to institute proceedings to enforce this recapture provision, the AGENCY shall be entitled to its cost thereof, including reasonable attorneys' fees.

## 3. Reduction in Funds

In the event state funds appropriated for the work contemplated under this Contract are withdrawn, reduced, or limited in any way by the Governor or the Washington State Legislature during the Contract period, the AGENCY may suspend or terminate the Contract under the Termination for Convenience clause without advance notice, subject to renegotiation at the AGENCY's discretion, under those new funding limitations and conditions.

## F. TERMINATION AND DISPUTES

### 1. Dispute Resolution

- a) The parties shall make every effort to resolve disputes arising out of or relating to this Contract through negotiation.
- b) Except as otherwise provided in this Contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing according to the process set out in this Section. Either party's request for dispute hearing must be in writing and clearly state:
  - 1. The disputed issue(s);
  - 2. The relative positions of the parties;
  - 3. The GRANTEE's name, address, and project title.
- c) In order for this Section to apply to the resolution of any specific dispute or disputes, the other party must agree in writing that the procedure under this Section shall be used to resolve those specific issues. The dispute shall be heard by a panel of three persons consisting of one person selected by the GRANTEE, one person selected by the AGENCY, and a third person chosen by the two persons initially appointed.
- d) Any hearing under this Section shall be informal, with the specific processes to be determined by the dispute panel according to the nature and complexity of the issues involved. The process may be solely based upon written material if the parties so agree. The dispute panel shall be governed by the provisions of this Contract in deciding the dispute(s).

- e) The parties shall be bound by the decision of the dispute panel, unless the remedy directed by that panel is outside the legal authority of either or both parties to perform as necessary, or is otherwise unlawful.
- f) Request for a dispute hearing under this Section by either party shall be delivered or mailed to the other party. The request shall be delivered or mailed within thirty (30) days of the date the requesting party has received written notice of the action or position of the other party that it wishes to dispute. The written agreement to use the process under this Section for resolution of those issues shall be delivered or mailed by the receiving party to the requesting party within thirty (30) days of receipt by the receiving party of the request.
- g) All costs associated with implementation of this process shall be shared equally by the parties.

## 2. Termination or Suspension for Cause

- a) In the event the AGENCY determines the GRANTEE has failed to comply with the conditions of this Contract the AGENCY has the right to suspend or terminate the Contract. Before suspending or terminating the Contract, the AGENCY shall notify the GRANTEE in writing of the need to take corrective action. If corrective action is not completed within 30 days of receiving notice, the Contract may be terminated or suspended.
- b) In the event of termination or suspension for cause, the AGENCY may require the GRANTEE to repay all or any portion of the state funds paid to the GRANTEE prior to termination.
- c) The AGENCY may enforce this Contract by the remedy of specific performance, which includes, but is not limited to, completion of the project as described in this Contract. However, the remedy of specific performance shall not be the sole or exclusive remedy available to the AGENCY. No remedy available to the AGENCY shall be deemed exclusive. The AGENCY may elect to exercise any combination, or all of the remedies available to it under this Contract, or under any provision of law, common law, or equity.

## 3. Termination for Convenience

- a) Notwithstanding any provisions of this Contract, either party may terminate this Contract by providing the other party with written notice of such termination, specifying the effective date thereof, at least thirty (30) days prior to such date.
- b) In the event this Contract is terminated, the GRANTEE shall be reimbursed for eligible expenses incurred prior to the effective date of such termination and not otherwise paid for by the AGENCY, as the AGENCY reasonably determines.

## 4. Termination for Fraud or Misrepresentation

In the event the GRANTEE commits fraud or makes any misrepresentation in connection with the grant application or during the performance of this Contract, the AGENCY reserves the right to terminate or amend this Contract accordingly, including the right to recapture all funds disbursed to the GRANTEE under the grant.

## 5. Termination Procedures

- a) After receipt of a notice of termination, except as otherwise directed by the AGENCY, the GRANTEE shall:
  - i. Stop work under the Contract on the date, and to the extent specified, in the notice;
  - ii. Place no further orders or sub-grants for materials, services, or facilities related to the Contract;
  - iii. Preserve and transfer any materials, Contract deliverables and/ or AGENCY property in the GRANTEE's possession as directed by the AGENCY.
- b) Upon termination of the Contract, the AGENCY may pay the GRANTEE for any service provided by the GRANTEE under the Contract prior to the date of termination, unless the AGENCY reasonably determines in its sole discretion that the amount due is necessary to protect the AGENCY against potential loss or liability resulting from the termination. The AGENCY shall pay any withheld amount due up to the date of termination to the GRANTEE if the AGENCY later determines that a loss or liability will not occur. GRANTEE shall not be paid for any work done after the termination date.
- b) The rights and remedies of the AGENCY under this Section are in addition to any other rights and remedies provided under this Contract or otherwise provided under law.

## 6. Governing Law and Venue

This Contract shall be construed and enforced in accordance with, and the validity and performance hereof shall be governed by, the laws of the state of Washington. Venue of any suit between the parties arising out of this Contract shall be the Superior Court of Thurston County, Washington. The GRANTEE, by execution of this Contract acknowledges the jurisdiction of the courts of the State of Washington.

## 7. Severability

If any provision of this Contract or any provision of any document incorporated by reference shall be held invalid, such invalidity shall not affect the other provisions of the Contract which can be given effect without the invalid provision, if such remainder conforms to the requirements of applicable law and the fundamental purpose of this Contract, and to this end the provisions of this Contract are declared to be severable.

**CONTRACT #: 23-01  
ATTACHMENT B  
PROJECT SCOPE OF WORK**

**PROJECT SCOPE OF WORK NARRATIVE**

Design and construction of a new museum facility for ABC County Historical Society. Phases I and II of the project have been completed under earlier grants. Phase III will complete the new museum. ABC County Historical Society’s cost share funds and HCP grant funds will be used to complete the scope of work for this contract as listed in the table below. This includes finishing work throughout the new museum, building a boat-building workshop, a “clean room”, and adding built-in cabinetry on the exterior of the workshop for future exhibits.

**PROJECT SCOPE OF WORK BY ARCHITECTURAL DIVISIONS**

Division	Work Elements
<b>Division 5 METALS</b>	Manufactured steel framing connectors for wood columns, beams and joists.
<b>Division 6 WOOD, PLASTICS AND COMPOSITES</b>	New interior partitions will be constructed of 2x6 or 2x8 fire-treated wood studs or 6” metal studs. New flat ceiling over part of Boat Shop and “Clean Room” will be framed with wood I-joists with ½” plywood over top.
<b>Division 7 THERMAL AND MOISTURE PROTECTION</b>	Sound batt insulation will be installed in all new walls and ceilings.
<b>Division 8 OPENINGS</b>	Three folding glass walls will be installed for materials and boat movement. Multi-paned wood windows salvaged from the building’s exterior will be refurbished and installed for viewing from visitor area into Boat Shop.
<b>Division 9 FINISHES</b>	New walls, covered both sides with 5/8” sheetrock, taped, finished and painted. Doors/windows will have clear finish.
<b>Division 10 SPECIALTIES</b>	Custom shelving/display cabinetry will be installed along Boat Shop/Corridor wall for display of artifacts and Boat Shop history.
<b>Division 21 FIRE SUPPRESSION</b>	Modifications to existing wet fire sprinkler system and fire alarm system.
<b>Division 22 PLUMBING</b>	Sawdust collection and containment system.
<b>Division 23 HVAC</b>	The building’s existing HVAC ductwork will be modified to provide heating and cooling to the shop area. A venting system for fumes will be installed in the Clean Room.
<b>Division 26 ELECTRICAL</b>	Add plugs and lights; hook up fans and sawdust collection.

**CONTRACT #: 23-01**  
**ATTACHMENT C**  
**PROJECT PURPOSE**

**PROJECT PURPOSE**

This project will enable public access to history through preservation activities such as caring for the building and artifacts when applicable, and through conducting history interpretation activities such as tours, exhibits, and other history programs. Preservation activities and public access to history will be provided in alignment with field best practices, and for the purposes of the Heritage Capital Projects program as identified in the program's authorizing language.

The grantee agrees to develop and implement a written interpretation, preservation, and collections care plan as applicable throughout the thirteen year monitoring period for this contract.

Standards and codes of ethics referenced for the purpose of this contract are those established by:

- the Washington Museum Association
- the Association for State and Local History
- the American Association of Museums' National Standards and Best Practices for U.S. Museums
- the Secretary of the Interior's Standards for the Treatment of Historic Properties and Rehabilitation

**CERTIFICATION**

The GRANTEE certifies that the express purpose of the grant as described in Project Purpose set forth above has been reviewed and approved by the GRANTEE's governing body or board of directors, as applicable, as of the date of the contract signature of the GRANTEE's contract signatory.

**CONTRACT #: 23-01  
ATTACHMENT D  
PROJECT BUDGET**

Cost Category	Grantee Cost Share Cash Match	Grantee Cost Share In-Kind	HCP Grant Funds
Construction	\$50,000		\$75,000
Engineering	\$40,000	\$5,000	\$22,000
Property Acquisition	\$100,000		
Capitalized Equipment			
Consultants		\$2,500	
LEED Silver Certification			
Pre-Design		\$2,500	
HCP Admin fee			\$3,000

Item	Total
Total HCP	\$100,000
Total Cash Match	\$190,000
Total In-Kind Match	\$10,000

**CONTRACT #: 23-01  
ATTACHMENT E  
SOURCE OF AVAILABLE FUNDS**

<b>Type of Funds</b>	<b>Amount</b>
<b>Cash Match</b>	
2019- 2021 Capital campaign	\$25,000
ABC County budget appropriation #314567	\$100,000
2020 McFarthing Foundation grant	\$100,000
Jules Vern major donation	\$10,000
2016-2020 online book sales restricted funds	\$15,000
<b>In-Kind Match</b>	
Sam's Engineering, donated services	\$5,000
Ruby Marooney LLC, donated services	\$2,500
Julia Gulia, donated historic structures report	\$2,500
<b>Total Cash</b>	
<b>Total In-Kind</b>	<b>\$10,000</b>
<b>Total of all Non-State Funding</b>	<b>\$250,000</b>
<b>Total Grant Funds (Legislative Appropriation)</b>	<b>\$100,000</b>
<b>Total Project Funds Available</b>	<b>\$350,000</b>

**CERTIFICATION**

The GRANTEE certifies the Source of Available Funds have been reviewed and approved by the GRANTEE's governing body or board of directors as of the date of last contract signature.

By so doing, the GRANTEE certifies all match funds are committed in writing from respective sources and are available, and will remain committed and available solely and specifically for carrying out the project as described in this Contract. Cash match and in-kind match funds are regarded as funds restricted for use solely for the contract project purposes and are committed as such in the GRANTEE's accounting.

The GRANTEE shall maintain records sufficient to evidence that it has expended or has access to the committed funds, and shall make such records available for the AGENCY's review upon request.

**CONTRACT #: 23-01**  
**ATTACHMENT F**  
**CERTIFICATION OF AGREEMENT TO FOLLOW ALL LAWS**

**CERTIFICATION**

The GRANTEE, by its contract signature, certifies that it shall be aware of and comply with all applicable and current federal, state, and local laws, regulations, policies, as now or hereinafter amended including, but not limited to those related to:

- Governor's Executive Order 05-05 (*regarding prior preservation review and ongoing consultation by the state and concerned tribes for any capital projects or land acquisition projects for the purpose of capital construction*)
- Prevailing Wage Law- RCW 39.12
- Hazardous Substances- RCW 70.105D Industrial Insurance- RCW 51
- Washington Law Against Discrimination- RCW 49.60
- Americans with Disabilities Act- 42.U.S.C. 12101 et. esq.
- High Performance Public Buildings (LEED)- RCW 39.35D

**CONTRACT #: 23-01**  
**ATTACHMENT G**  
**PROPERTY PARCEL NUMBER(S) AND LEGAL DESCRIPTION(S)**

*For all projects:*

**Permanent Address:**

**Historic Designation (if applicable):** NA

**Washington State Legislative District #:** 6

**GPS Coordinates:** 47.540148, -117.670809

**Parcel #:** 123465

**Legal Description:** Lots 6, 7, and the South ½ of Lot 3, West 60 feet of South ½ of Lot 4, West 60 feet of Lot 5 and Lot 8, Block 20, OLD SURVEY, Spokane, Washington State.

*For vessels or other fixed assets (adapt as needed):*

**Vessel Name:** NA

**Legal Owner:** NA

**Year Built:** NA

**Home Port:** NA

**U.S. Registry #:** NA

**Vessel Service:** NA

**CERTIFICATION**

The GRANTEE, by its signature, certifies that the information set forth above, including property parcel number(s) and legal description(s), have been reviewed and approved by the GRANTEE's governing body or board of directors, as applicable, as of the date of last contract signature.

**CONTRACT #: 23-01  
ATTACHMENT H  
LEASES, CONTRACTS, AND AGREEMENTS**

<b>Document Title</b>	<b>Parties</b>	<b>Date of Execution</b>	<b>Date of Expiration</b>	<b>Recorded in:</b>
Property Deed	ABC County and ABC County Historical Society	April 7, 2019	NA	Spokane, WA
Sublease for use of secondary building on property	ABC County Historical Society and Millennial LLC	November 12, 2019	November 11, 2024	Spokane, WA
Memorandum of Agreement	ABC County and ABC County Historical Society	March 3, 2019	March 2, 2036	Spokane, WA

**CERTIFICATION**

The GRANTEE, by its signature, certifies that the leases, contracts and agreements as described in the grant application and defined above have been reviewed and approved by the GRANTEE's governing body or board of directors, as applicable, as of the date written below.

The GRANTEE also certifies that it has read and understands its obligation to hold the property for 13 years from the date of contract completion and to use the property for the express purposes of the grant as set forth in this Contract. The Grantee further certifies that it shall provide the AGENCY with notice of any and all modifications or additions to all leases, contracts and agreements made during the Contract Period of Performance or during the thirteen years following GRANTEE's completion of the project.