



MARYLAND HISTORICAL TRUST

Capital Grants and Loans Manual

**African American Heritage Preservation Program, Historic Preservation
Capital Grants Program, and Historic Preservation Capital Loans**

Stacy Montgomery
Capital Programs Administrator
Maryland Historical Trust
100 Community Place, 3rd Floor
Crownsville, MD 21032
410.697.9559
stacy.montgomery@maryland.gov
Contact about African American Heritage Preservation
Program, Historic Preservation Capital Grants Program, and
Historic Preservation Capital Loans

Taylor Means
Research & Preservation Specialist
Lead
Maryland Commission on African
American History and Culture
100 Community Place, 3rd Floor
Crownsville, MD 21032
443.510.0882
taylor.means@maryland.gov
Contact about African American
Heritage Preservation Program

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Grant / Loan Start-Up

Grant Agreement

If you are a grant recipient, MHT's financial team will send you a grant agreement, corporate resolution, and other documents to get started. Sign the documents as instructed and return them to MHT. Once MHT's Director has also signed the grant agreement, the MHT financial team will set up the state payment account and send you a copy of the fully executed grant agreement. This process usually takes about two months.

Most projects will not be able to start hiring a contractor or requesting payments until the grant agreement is fully executed. Contact your Project Monitor if there is an emergency and you need to get started early.

Loan Closing

If you are a loan recipient, you will receive paperwork from MHT and the loan servicer to assist you with loan closing.

Easement Conveyance / Modification

If you are required to convey a new preservation easement, preservation agreement or modify an existing easement or agreement, you will be contacted by MHT Easement Program staff and receive an Easement Conveyance Packet to start the process. This process usually takes six to nine months but can take as little as two months if you submit the required materials to MHT quickly. Most projects will not be able to receive grant or loan funds until the easement is conveyed but contact your Project Monitor if there is an emergency. See Appendix A: Easement Requirements for additional information.

Insurance

You are required to maintain certain levels of insurance coverage in relation to your grant or loan-funded project. See Appendix B: Insurance Requirements for details of those requirements. You must provide proof of insurance if requested by MHT staff.

Recognition of Support (Historic Preservation Capital Grant Program ONLY)

With respect to all project related public events such as interviews, groundbreaking ceremonies, dedications, media events, etc. and materials such as press releases, brochures, video productions, installation of exhibits, signage, web pages, and any other materials that the grant recipient publishes in connection with the project, the grant recipient shall include an acknowledgment of MHT support, along with the MHT logo, which can be obtained from your Project Monitor. The acknowledgement statement shall be in the following format:

This project is funded in part by the Maryland Historical Trust through its Historic Preservation Capital Grant Program. Project contents or opinions do not necessarily reflect the views or policies of the Maryland Historical Trust.

Procurement Process

Any services that are to be paid, in whole or in part, with funds from an Historic Preservation Capital Grant, Historic Preservation Capital Loan, or African American Heritage Preservation Grant **MUST** be selected based on competitive proposals unless otherwise determined by your Project Monitor.

The following guidelines outline our typical process for securing professional services from architects, engineers, contractors, and other consultants.

The basic procurement steps include:

- getting your scope of work approved by MHT
- getting your Request for Proposals (RFP) and ad (if required) approved by MHT
- soliciting bids according to MHT's procurement requirements
- selecting the winning bid and getting that approved by MHT

1. Getting Started

Consult with your MHT Project Monitor (see the cover sheet for contact information) about what type of services you will need to begin your project. Some grant/loan recipients begin by hiring an architect, engineer, or other consultant who will create a plan for construction work. Some grant/loan recipients already have construction documents and can immediately hire a contractor to begin work. Your Project Monitor will help you determine where you need to start.

2. Scope of Work Approval

MHT must approve your scope of work before you send out your RFP.

Your Project Monitor will guide you to ensure that all work is eligible for grant funding and meets the [Secretary of the Interior's Standards for Rehabilitation](#). For this reason, **your final scope of work may differ from the project you described in your application**. For grant projects, unless written approval is obtained from MHT, you must use the grant funds and grantee's contribution (matching funds) as detailed in the grant agreement.

Contact your Project Monitor to help determine your scope of work and to guide you through the approval process. If MHT holds a preservation easement on your property, or if you are in the process of conveying an easement to MHT, a [Historic Preservation Easement Program Change/Alteration Request Application](#) will need to be submitted to the MHT Easement Program for approval. Your Project Monitor will assist you in submitting an application to the MHT Easement Program for review. The scope of work approved by the MHT Easement Program will be used in your Request for Proposals (RFP).

Cemetery Consultation:

If your project includes work to a cemetery, your Project Monitor may initiate the Cemetery Consultation process as required by the revised [2018 Real Property article of Maryland Code: § 14-121.1](#). Proper treatment of burial site in existence for more than 50 years. This is not a grant or loan program requirement but is coordinated with the consultation of MHT Archaeologists when the scope of work is being drafted.

3. Preparing the RFP and Ad

For any work that will be paid for using grant funds, you will need to hire a professional through a process approved by your Project Monitor. Usually this will be by sending out an RFP to at least six firms and preparing an ad if the anticipated cost of the contract is above \$25,000 for an architect or engineer or above \$40,000 for a contractor. You are not required to receive a minimum number of responses. **Your Project Monitor will need to review and approve both the RFP and the ad before they are made public for bids.**

Your RFP will include general information about the property, the scope of work, the pre-proposal conference, what materials should be submitted for a complete bid, and how to submit the bid. The RFP will also include other documents or drawings that describe the project, and forms that the bidder needs to fill out and submit to you. The following forms must always be included:

- Financial Proposal Form
- Qualifications Form
- Conflict of Interest Affidavit Form

You can customize them for your project and property. Appendix C contains a checklist of items to include in your RFP. Digital RFP templates are available to grantees and borrowers upon request. You may also use your own RFP template if you prefer, so long as you meet your Project Monitor's requirements. You may also use your own templates for the financial proposal and qualifications form, but you should use MHT's template for the conflict-of-interest affidavit. **Your Project Monitor will need to review and approve both the RFP and the ad before they are made public for bids.**

4. Soliciting Bids

Once your RFP and ad have been approved by your Project Monitor, you may send them out for bid.

If you are not required to publish an ad, directly request bids from at least SIX firms or professionals. There is no minimum required number of responses.

If you are required to publish an ad, you will need to publish the ad either three days in the same newspaper or one day in three different newspapers. Consult with your Project Monitor to determine which newspaper(s) to use. Grant funds can be used to pay for the ad(s).

Once you release your approved RFP and ad, send copies of the following to your Project Monitor:

1. A final copy of the RFP, with correct dates and all forms.
2. A copy of the final ad, if required, as well as a copy of the ad including the dates it ran and the publications it was printed in. A screen shot or digital notification including dates from the publisher will be acceptable if the ad runs online.

5. Selecting a Firm

The contract is to be awarded to the responsible and responsive firm whose proposal meets the requirements and evaluation criteria set forth in the RFP and offers the lowest qualified bid.

A PROPOSAL MAY NOT BE EVALUATED FOR ANY REQUIREMENT OR CRITERION THAT WAS NOT DISCLOSED IN THE RFP.

If there are other necessary criteria to consider, such as project schedule, consult your Project Monitor about options.

Once you have determined the firm you wish to hire, email your selection to your Project Monitor along with the following:

1. A list of all firms that you requested a bid from and who responded to your ad requesting an RFP package.
2. A copy of ALL responses received, including any responses from firms stating they do not plan to submit a bid.

Your Project Monitor must approve your selection before you enter into a contract with the successful firm, or you risk not being able to use the grant funds.

Once your selection has been approved, send a copy of the fully signed contract to your Project Monitor. Without this contract grant payments cannot be made. You should also send written notification to the unsuccessful respondents.

Disbursement Request Process

Fund disbursement will generally only take place after a preservation easement or preservation agreement has been conveyed (if required), a grant agreement has been fully executed (for grant projects) or the loan closing has occurred (for loan projects), the scope of work has been approved by MHT, and a signed contract between the grantee and approved contractor/consultant has been received. For acquisition projects, MHT staff will provide the check at settlement.

Except for acquisition projects and deposits approved by your Project Monitor, payment can only be released for completed work or materials purchased.

Payments will ONLY be made to the grantee or loan recipient, NOT to a contractor or consultant. This may delay your payment to the contractor or consultant beyond the customary 30 days most firms' request. Please be sure your contractor or consultant is aware of this and make any necessary arrangements. This includes "late fees", which the grant does not pay. The final 10% of the grant will be held until the project is complete.

We recommend signing up for Direct Deposit with the State Comptroller's Office as soon as possible to hasten the payment process. To sign up for direct deposit with the state, please visit this [website](#) and contact Mike Wesdock at (410) 260-7463 or GADCSC@marylandtaxes.gov for assistance.

To request a payment, email your Project Monitor the following:

1. For a deposit, the signed contract must include the amount of the deposit requested or mobilization fee by the contractor, architect, etc.
2. For completed work or materials purchased, submit a copy of the invoice. The completed work should be approved by both the grantee/loan recipient and, if applicable, the project architect/engineer.
3. A brief description of the completed work or materials (1-2 sentences is typically sufficient).
4. A few photos of the completed work or the materials OR a copy of the completed report, drawings, etc. for which payment is being requested.

Your Project Monitor will confirm that all work/materials are eligible expenses and that all work is approvable. This may require a site visit from your Project Monitor. When reviewing your request for disbursement, your Project Monitor will consider the following questions:

1. **Is the cost eligible? Has it been incurred in the grant period? Is it related to the approved scope of work and/or budget?** (See your grant agreement for approved grant period, project scope and budget, if applicable.)
2. **Is the cost necessary?** – If there were no grant funds involved, would the cost have had to be incurred, or incurred at the amount stated?
3. **Is the cost reasonable?** – Is it in line with costs for the same item or service in your area? (Reasonable and necessary often go hand in hand, but you always ask if it is necessary before you ask whether it is reasonable.)
4. **Is the cost verifiable?** – Do you have proof of the project expense? (Invoices, receipts, contracts, and so on.)

You must retain records of your project expenditures for 3 years after grant project completion or loan payoff.

Documentation of Match

Historic Preservation Capital Grant Program ONLY

See Exhibit A of your grant agreement to see if you have committed match for your grant project.

If you have committed cash match, you will need to provide copies of invoices and cancelled checks (front and back) to substantiate the cash spent **on the defined project**.

If you have committed in-kind match, you will need to document the value of materials or services donated **for the defined project**.

- For donated materials: an invoice for materials or a signed statement from the donor is required.
- For donated services:
 - General volunteer services must be documented with a timesheet that includes the date, time, and task, and must be signed by both the volunteer and the grant project manager. The hourly rate for volunteer time is valued based on the rate for Maryland noted on the Independent Sector website at: http://www.independentsector.org/volunteer_time
 - Donated professional services should be documented with a signed statement from the donor, including the donor's customary hourly rate and number of hours donated.
 - Board Members (or equivalent) donating their services may use their customary hourly rate **only** when donating relevant professional services. For example, a Board Member who is an architect may use their standard hourly rate for drafting construction documents but must use the general volunteer rate from the Independent Sector website for time spent administering the MHT grant.

Match should be expended proportionately to grant funds, unless otherwise approved by your Project Monitor. You must retain records of your match expenditures for 3 years after grant project completion. For additional information about eligible match expenditures, see the Grant Guidelines available on the program webpage: mht.maryland.gov/Pages/funding/grants-capital.aspx

Grant Agreement Amendments

To request an amendment to the project scope of work or to the project budget contact your Project Monitor.

Amendments to the Project Scope of Work

Scope of work amendments are executed when there is a need to clarify a scope of work to conform with the project proposed in the application, correct a clerical error, or to address unforeseen circumstances to ensure that the project proposed in the application can proceed. If your request meets these requirements, your Project Monitor will send you an amendment to sign and return.

Amendments to the Project Budget

Your Project Monitor will send you an amendment to sign and return if your total grant amount needs to be amended. Budget amendments may happen for two reasons:

- Partially funded projects may be eligible to receive additional funds if funds become available. Projects are not funded more than the amount requested in the application. Your Project Monitor will contact you if additional funds become available.
- Your project budget may be amended to correct either the total grant funds or the required match. Contact your Project Monitor if you believe there is an error in the budget of your grant agreement.

Project Extensions & Completion

Extensions

If you are making progress but your project will not be complete by the Project Completion Date listed in Exhibit A of your Grant Agreement, you can request an extension by emailing your Project Monitor. If your Project Monitor determines that you are making appropriate progress, you will receive an extension letter by email. Your Project Monitor may also contact you prior to your Project Completion Date to offer you an extension. If you do not respond to an extension offer within ten days, at MHT's discretion, your grant deadline may be automatically extended by your Project Monitor.

Project Completion

The Project Completion Report is intended to provide a photographic record and capsule summary of the grant or loan project. **The final 10% of project funds will be withheld until the Project Completion Report has been submitted in a form satisfactory to MHT.** A copy of the Project Completion Report Template can be found on our program websites and downloaded [here](#).

The Project Completion Report should be submitted to your Project Monitor in MS Word document format, not as a PDF, to allow for revising and finalizing by your Project Monitor. This is typically provided at the time of the final payment request.

1. Along with your Project Completion Report, you should be certain the following have also been submitted to your Project Monitor, to close out the grant or loan project:
2. A copy of all test results, consultants' reports, final drawings, etc. associated with the project. These may be provided in digital format.
3. All invoices, change orders, receipts, etc. directly related to the grant or loan project.
4. Photo documentation (unless otherwise indicated by your Project Monitor, since it is common for your Project Monitor to take photos on the final site visit/inspection):
 - a. Please provide good quality digital images in digital format. Images should include at least one overall photograph of each side of the building; representative interior photos, if applicable; and several photos highlighting specific details or areas of interest, especially of elements for which State funds were used.
 - b. All images must be taken AFTER the completion of grant- or loan-funded work, even if construction on another phase of the project is still underway.
 - c. The images should be clearly identified in a photo log, which should include the following information for each photo:
 - i. File name
 - ii. Name of photographer
 - iii. Date photo was taken
 - iv. Description of photo content (e.g., "rear of property after reconstruction of porch)

APPENDIX A – EASEMENT REQUIREMENTS

If your Grant Agreement indicates that you must convey or modify an easement or preservation agreement as a condition of your grant award (check your Grant Agreement, Exhibit A – Special Conditions), the following information will apply to your project.

As a condition of disbursement of your grant, you may be required to execute, or have the owner of the property where the project is taking place to execute, one of the following agreements:

- A Deed of Preservation Easement Agreement (an “Easement”), or a modification to an existing Easement (a “Modification”) encumbering the historic real property assisted by the grant; or
- A preservation agreement (a “Preservation Agreement”), or a modification of an existing Preservation Agreement (also a “Modification”), for historic property other than real property.

“Historic property” means a site, building, structure, monument, or object which is individually listed in, or is individually eligible for listing in the Maryland Register of Historic Properties.

The Easement or Preservation Agreement requires that you or the owner of the project property:

- maintain the project and the project property in good order, condition and repair;
- permit MHT to enter upon and inspect the project during construction;
- prevent any waste of the project property; and
- prevent any demolition or modification of the improvements on the project property without MHT’s prior written consent.

If you or the owner of the project property are required to execute an Easement or Modification, you or the property owner must also provide the following documentation:

- an owner’s policy of title insurance for the project property, along with a bring to date title search updating the policy to the date of the Easement, satisfactory in form and content to MHT and its legal counsel;
- evidence of property/hazard insurance, commercial general liability, or other insurances coverages in accordance with the insurance requirements set out in Appendix A of this Manual;
- evidence that the Easement or Modification has been recorded among the applicable land records of the county in which the project property is located;
- any other instrument or document required by MHT, including the subordination of any encumbrances with respect to the project property which are prior to the lien of the Easement, and the foreclosure of which could extinguish the Easement.

The Easement requirements include the following:

- The Easement will have a term of duration equal to the longer of (i) fifteen years or (ii) one year for every \$5,000 increment of the Grant or Loan, or portion thereof, as further described in Exhibit A Special Conditions of your Grant or Loan Agreement, if applicable;
- If there are no prior existing liens on the project property, the Easement must be a first lien encumbrance with respect to the project property, prior to all other liens; and
- You must reimburse MHT all funds that have been disbursed if the Easement is determined, by court finding or otherwise, to be not legally enforceable by MHT for any reason, and you will not be entitled to disbursement of any further funds.

If you or the property owner executes a Preservation Agreement, Grantee must provide, or cause the owner of the Property to provide the following documentation:

- evidence of property/hazard insurance, commercial general liability, or other insurances coverages in accordance with the insurance requirements set out in Appendix A of this Manual; and
- Any other instrument or document requested by MHT.

An existing Easement or Preservation Agreement that is satisfactory to MHT may satisfy these requirements.

APPENDIX B – INSURANCE REQUIREMENTS

As a condition of disbursement of a capital grant or loan, you must carry, and may be required to provide evidence of the following insurance coverages satisfactory to MHT with respect to the property where the project will take place. Insurance coverage must be provided by a company that is registered with the Maryland Insurance Agency and authorized to do business in the State. If you are a government entity, the insurance requirements may be satisfied through evidence of a self-insurance program satisfactory to MHT.

Hazard Insurance

You must carry and may be required to provide evidence satisfactory to MHT that the project property is insured against loss or damage by fire and such other hazards, casualties, and contingencies as may be required from time to time by MHT, in amounts satisfactory to MHT, but not less than the total amount of the grant or loan plus the outstanding principal balances of any mortgages on the property. You must have the hazard insurance policy endorsed to add MHT as an additional insured (but without obligation on the part of MHT to make premium payments), with rights to prior notice of policy cancellation. You must maintain property insurance on the project property from the Project Commencement Date throughout the term of the Easement, Preservation Agreement or Modification, as applicable. If requested by MHT, you must submit evidence of such insurance coverage to MHT.

Commercial General Liability Insurance

You must carry insurance and may be required to provide evidence satisfactory to MHT that the project property is insured under a comprehensive general liability insurance in amounts satisfactory to MHT. You must have the comprehensive general liability insurance policy endorsed to add MHT as an additional insured (but without obligation on the part of MHT to make premium payments), with rights to prior notice of policy cancellation. You must maintain comprehensive general liability insurance on the project property from the Project Commencement Date throughout the term of the Easement, Preservation Agreement or Modification, as applicable. If requested by MHT, you must submit evidence of such insurance coverage to MHT.

Flood Insurance

If your project property is located in a 100-year flood plain, you must carry, and may be required to provide evidence satisfactory to MHT that the Property has flood insurance. You may be required to provide evidence showing whether the project property is located in a 100- year flood plain, as designated by the United States Department of Housing and Urban Development. If the project property is located in a 100-year flood plain, you must obtain flood insurance coverage in amounts satisfactory to MHT. You must have the policy endorsed to add MHT as an additional insured (but without obligation on the part of MHT to make premium payments), with rights to prior notice of policy cancellation. You must maintain flood insurance on the project property from the Project Commencement Date throughout the term of the Easement, Preservation Agreement or Modification, as applicable. If requested by MHT, you must submit evidence of such insurance coverage to MHT.

General Contractor's Insurance

You must carry and may be required to provide evidence satisfactory to MHT of general contractor's insurance coverage for comprehensive public liability, property damage liability/builder's risk, and workers' compensation in the form and amounts required by MHT. You must require general contractor's insurance from the Project Commencement Date until the project is completed. If requested by MHT, you must submit evidence of such insurance coverage to MHT.

APPENDIX C – RFP Checklist

1. The name of the grant/loan recipient.
2. The name and address of the project property.
3. Optional: a brief description of the property and project along with a photo or two may be helpful.
4. The date the RFP is being issued and the deadline for receipt of bids. See items #7 and #8 below for additional information on dates related to the RFP.
5. The name and contact information of the project contact.
6. A description of the services that you anticipate will be required (for an architect or engineer) or the MHT-approved scope of work (for a contractor).
7. The proposed project schedule or deadlines.
8. How potential bidders can inspect the project property (e.g., by contacting you for an appointment). If there will be a required pre-proposal conference, we recommend it be 15 days after the date the RFP is issued, and 15 days before the bid deadline.
9. RFP submission requirements (what forms are required, how many copies, etc.), the deadline for submission of proposals (which **MUST** be at least 30 days after the RFP is issued), and the location to which proposals are to be delivered or emailed.
10. Your RFP should include all evaluation factors and should reflect the weighting of criteria (the evaluation criteria should be listed in descending order of importance, see examples below). You cannot evaluate the proposal on any criteria that are not included in the RFP. Sample criteria for evaluation (alter based on the needs of your project):
 - completeness
 - responsiveness to the program
 - project-related qualifications
 - previous relevant experience (i.e., historic preservation or specialty services)
 - ability to meet project schedule
 - cost
11. Include the following statements in your RFP unless otherwise approved by your Project Monitor:
 - This project will be partially funded by a grant through the Maryland Historical Trust (MHT). All work must be acceptable to MHT and must meet the Secretary of the Interior's *Standards*. Payment may take 30-45 days to receive.
 - The contract will be awarded to the lowest qualified bid.
 - The contract will be a lump sum, fixed price contract. [You may discuss other options with your Project Monitor.]
 - Minority Business Enterprises are encouraged to respond.
 - The successful firm must be an Equal Opportunity Employer.
 - All amendments, addenda, and changes, and the receipt thereof, be acknowledged in writing.
12. Require firms to submit the names and locations of comparable projects that they have successfully completed, as well as references for those projects, so that you can evaluate each firm's qualifications. MHT does not check references, that is done at the discretion of the grantee/loan recipient.